foreign trade

JANUARY 3, 1953

F25

The Mission and the Market (page 2)

Just a Year Ago . . .

. . . "Foreign Trade" changed its cover and began a series of improvements which have progressed as the months sped by. The cover had been changed once or twice before but this was more modern—though not, we hope, flashy.

Just a year ago, in that same issue of January 5, 1952, the magazine carried its first editorial. Not, mind you, an editorial of opinion—we are in the business of facts. It was an editorial about ourselves and our new cover and what we hoped to do.

We are now prepared to admit that, bravely though we faced the world that day, we were rather timid. We didn't say what we were going to do; we said "new features can be added". But we did have the courage of our convictions and features have been added. Two new departments, "Fairs and Exhibitions" and "Transportation Notes", have been set up—to the satisfaction of our readers. Our Foreign Exchange Rates have been completely revised and recast to meet the needs of the many subscribers who put them, we discovered, to a variety of uses. The Trade Commissioners' reports on business conditions are now grouped in quarterly issues by areas. The exception is reports from our officers in the United States; these we publish, in rotation, about once a month.

Probably the outstanding event in the year's program was the presentation of special issues on Venezuela, Cuba and Mexico, and on the market for seed potatoes. We hope to continue this innovation; next month will see a special issue on the markets for lumber.

A number of our readers have told us how much they like what is being done and we feel encouraged to keep on with improvements. We hope that you will continue to tell us what you think of "Foreign Trade" and how we can give you the information you want.

—The Editor

foreign trade

L. 13 OTTAWA, JANUARY 3, 1953 NO. 314

'ER . . . Rio de Janeiro, : Canada's Goodwill Mission, headed by the lon. C. D. Howe, will , on January 7th, a series ighbourly visits to nine American countries. See on page 2.

Published weekly by the Department of Trade and Commerce, under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

The Mission and the Market

The departure of the Goodwill Trade Mission on January 5 focuses attention on the Latin American market. Here are facts on how and why it has grown—and what exporters can do to win a larger share of it.

ON January 5th a big RCAF C-5 will roar down the runway at Rockcliffe Airport, Ottawa, take off, and head south. On board will be a group of Canadian government officials and businessmen, headed by the Rt. Hon. C. D. Howe, Minister of Trade and Commerce. They are setting off on a Goodwill Trade Mission and, before they return some five weeks later, they will visit nine countries of Latin America and cover thousands of miles.

The Mission has no prescribed duties to carry out. It is not expected to sign trade treaties, negotiate tariff concessions, or even explore markets. It will be paying a series of friendly visits to some of our 150 million Latin American neighbours—neighbours who have also become good customers.

An Expanding Market

The departure of the Mission focuses attention on the expanding Latin American market for Canadian goods and the high hopes for its future. Back in 1946, when the former Minister of Trade and Commerce, Hon. J. A. MacKinnon, returned from a mission to Latin America, he prophesied that Canada's exports to the twenty republics would soon reach $200 million a year. Many businessmen took this with a grain of salt. But in 1951 our exports to Latin America totalled $208 million, twelve times the value of exports in 1938, just before the war disrupted all trading patterns. This year, sales will probably climb to $275 million. To put it another way, in 1938 only two per cent of our exports went to Latin American countries; in 1952, about 6·4 per cent.

Why It Grew

The statistics show what has been accomplished; far more interesting are the factors that made this achievement possible. The sceptic sometimes stresses temporary conditions and hints that the market may peter out. But a close look at how and why trade with Latin America has grown gives grounds for confidence that we can hold and even increase our gains.

Canada's trade with Latin America goes back many decades. At the turn of the century (1901), the Department's annual report listed exports to the area (15 countries) at $1·3 million. Throughout the succeeding years, newsprint, wheat flour, salt fish, agricultural machinery

and seed potatoes were the export staples. They still sell in Latin America, in increasing quantities, but other and newer products are gaining ground. Last year, 42 per cent of all Canadian exports of industrial machinery went to this area and nearly half of our electrical apparatus exports.

Sales to Latin America began to rise significantly in 1947. The reasons should be sought partly in Canada and partly in the countries themselves. The end of the war found the Latin Americans with money jingling in their pockets—and an urge to spend it. Many of their European suppliers were still getting shakily on their feet after a wartime battering. The eager customers turned to other sources—and Canadian exporters were alert to do business.

It could scarcely have come at a more opportune moment. Many of Canada's traditional Commonwealth and European markets were temporarily closed to her. New industrial plants, built in wartime, badly needed outlets for expanded production. Skim milk powder, for instance, had been turned out in quantity for the services; countries like Venezuela offered a peacetime market. The exporters' move into Latin American markets, and especially into those without currency or import restrictions, began. At first consumer goods figured largely in exports, especially in Argentina's 1947 buying. But soon trade turned more to foodstuffs and goods for long-term capital development.

Permanent Factors

If it had been based only on the shifting sands of pent-up demand and the temporary absence of some suppliers, this trade would have soon collapsed. Instead, exports to Latin America have climbed steadily from 1947 on. This indicates that the trade has a solid foundation—the tremendous economic expansion, especially in Mexico, Venezuela, Brazil, Cuba, Argentina, Chile, Colombia, all hurrying to take their place in an industrial age.

If You Want to Sell in Latin America . . .

- *Seek to know each market.*
- *Consult the Area Trade Officer, the Commodity Officers, and the International Trade Relations Branch of the Department of Trade and Commerce, who will suggest potential markets for your products, advise on special problems.*
- *Ask for a first-hand report from the Trade Commissioner on the sales prospects for your specific goods.*
- *Then tour the area yourself, making personal contacts with prospective customers and interviewing possible agents.*
- *Inform yourself on documentation requirements for shipping goods.*
- *Keep on cultivating the market.*
- *Remember, always remember, Latin Americans are as interested as you are in sound, profitable business.*

67321—1½

The past ten years have witnessed great industrial progress there. The population of Latin America is growing faster than in any other part of the world. That means more food—some imported, and larger crops raised with the help of agricultural machinery and chemical fertilizers. It means great irrigation projects and power plants. The cultivation of the land alone is inadequate to support so many people and new industries are being established to augment incomes. Money is being spent on power projects, on resources development, on highways. National income is rising; in Mexico, for instance, it has more than doubled in the last eleven years. Standards of living too are going up and this quickens the demand for consumer goods.

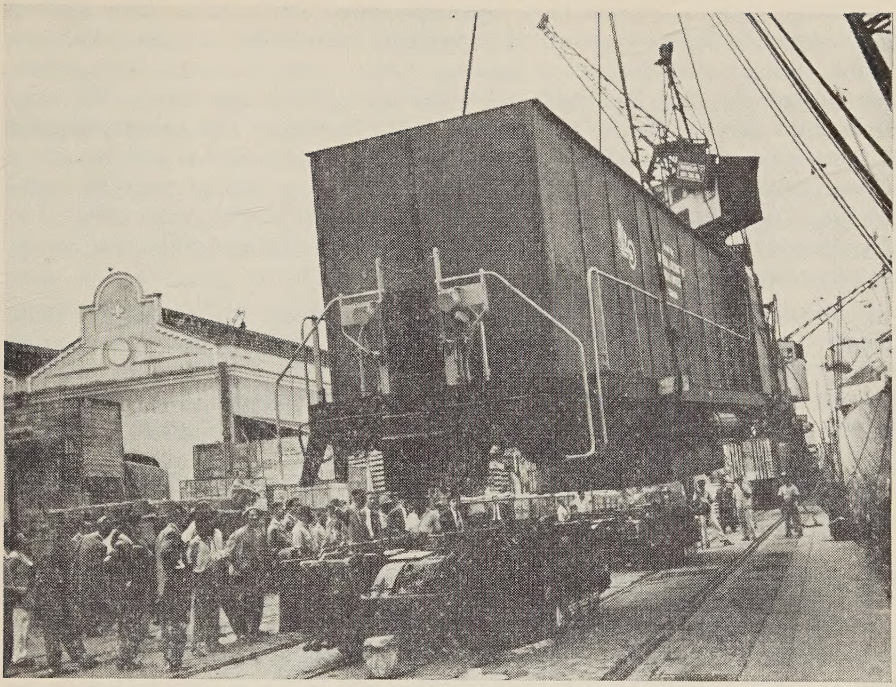
The ideal customer is the man who wants our goods and who can afford to pay for them. Many Latin American countries fit that description. They are eager to buy motor vehicles, plant machinery, newsprint, diesels, raw materials like aluminum and asbestos—all goods which Canada is eager to sell. And some of them sell such quantities of raw materials and foodstuffs to the United States and Canada that dollars are no problem. Venezuela is an outstanding example. Canada alone bought $125 million worth of crude petroleum from Venezuela last year. We also bought $42 million worth of coffee from Latin America in 1951.

A few of the Latin American countries—particularly Brazil, Argentina and Chile—find themselves temporarily in dollar difficulties, but this will probably not continue. And Brazil's situation points up the fact that Canada's trade with Latin America rests solidly upon essentials. In 1949, Brazil restricted imports from dollar countries to highly essential goods. The market for Canadian whisky, apples, codfish, and some other traditional items was closed temporarily. Yet in 1951 Canadian exports to Brazil reached $53·7 million, 3·4 times the 1950 figure. Trucks and vehicles, wood pulp, iron and its products, agricultural machinery, ranked high among them. In part, this surge came from the expansion program of Brazilian Traction, a Canadian-incorporated company.

Flow of Trade

Trade between Canada and Latin America has a natural, easy flow because, in many ways, the two economies complement each other. Each produces essential raw materials and foodstuffs, but of different types. Canada buys 55 per cent of her crude oil imports from Venezuela for eastern Canada markets. This figure seems likely to stand even when Alberta oil output rises, because our consumption continues to grow. Seven-eighths of our coffee, 90 per cent of our bananas, 50 per cent of our tropical fibres, a good proportion of our sugar comes from Latin America. And in return we sell export staples like wheat and flour, newsprint, aluminum, farm machinery, electrical apparatus—things which we have long produced for export to the world.

Some temporary factors do influence this trade from year to year. In 1951 Brazil bought some $6·2 million worth of wheat and this year the purchases are continuing because of the drought in neighbouring Argentina. Shortly after the war, sales of ships boosted our exports to Venezuela, Colombia and Argentina. But these and other factors do not outweigh the permanent and long-term nature of our trade, especially in our four largest markets—Brazil, Venezuela, Mexico and Cuba.



Brazil's big development program means a market for Canadian manufactured goods. This diesel locomotive being unloaded in Rio is one of 48 being made by a Montreal firm for the Central do Brasil Railroad. Fifteen of the locomotives are already in service; others will soon be shipped.

What happens to our trade when Latin America moves farther along the road to industrialization and turns out more manufactured goods? asks the pessimist. The answer, if experience so far serves, is that exports change in type but increase in volume. Brazil has begun to make newsprint. As a result, she buys from us less newsprint but more wood pulp. This year Cuba opened a new flour mill. Sales of Canadian wheat flour immediately fell off. But what we lost on the swings we gained on the roundabouts; sales of wheat went up. Canada can continue to supply most of the wheat for that mill.

Meeting Competition

The expansion of our trade with Latin America doesn't rest largely with the trade mission. Nor will the favouring factors—complementary economies, open markets, the needs of the customers—continue to guarantee easy selling. In the long run, increasing our share of the Latin American market (we ranked fifth in 1951 in the total trade there) is the job of the individual Canadian company, dealing with the individual Brazilian or Mexican or Cuban company.

Some authorities feel that, so far, it's been more a matter of Latin Americans buying than of Canadians selling. Alex Gray, past president of the Canadian Exporters' Association, remarked last spring that "Canadian exporters are missing the boat in South America". He went on to emphasize that, if sales are to grow, the exporter must do some energetic sales promotion. The coming Trade Mission will create more goodwill and open the way; the rest is up to business itself.

Every month competition becomes more strenuous. The United States has the lion's share of this market, with sales to Latin America at the rate of $290 million a month. Other countries are very active. The United Kingdom has sent two trade missions to the area in the past six months alone. In the Speech from the Throne at the recent opening of the British Parliament, the Queen said: "Active measures will be taken to strengthen the long-standing ties of friendship and of mutual trade between the United Kingdom and the countries of Latin America". One step already taken is the extension of export credit guarantees to cover certain sales to that area.

Germany and Japan are working strenuously to recapture their former Latin American markets. German exports to the area leaped from $3·2 million in 1948 to $369·3 million in 1951. Japan's sales reached only $6 million in 1949; in 1951, $81 million. The Germans owe much of their success to the fact that they send out specially trained salesmen, thoroughly conversant with conditions and able to speak fluent Spanish. And German companies go to infinite trouble to satisfy the needs and even the whims of their Latin American customers.

Personal Visits Pay

Canadians do hold some aces in this game, which becomes highly competitive in Venezuela, Mexico, Brazil, Cuba, and Peru. Within the last 11 years, Latin American countries have come to know Canada as an important trading nation in its own right. During that time, additional trade agreements have been signed, so that today Canada exchanges most-favoured-nation treatment with all Latin American countries except Honduras.

But probably the best card is the goodwill which most Latin Americans feel towards Canadians. We have always been friends. They regard us as a relatively new country which has faced and is overcoming development problems with which they are still struggling. They turn to us partly because they want alternative sources for a large proportion of their needs. All this, says a man who has travelled extensively there, adds up to one all-important fact: "The Canadian businessman, if he is competitive in price and delivery, and if he is on the ground, will get the business".

If he is on the ground . . . that means personal sales promotion. The trade records show that it brings results. Here is one example. In 1949 a Canadian aircraft firm dispatched one of its new *Beaver* planes, flown by an experienced pilot, to Latin America. In the following months the pilot demonstrated the plane in every country in Latin America, before private airline executives, government officials, and Air Force officers. The result: orders for about 100 planes from Venezuela, Peru, Colombia, and Chile. Two months ago the press featured the arrival of eight of these planes in Santiago, after a two weeks' flight from Canada. They were the first instalment of an order placed by the Chilean Air Force.

The Latin Americans respond to these direct selling methods. Mr. Gray, who has practised what he preaches, urges companies to send down top men to pioneer these markets, men who can later implement any product changes that their new customers might suggest. There are few arguments against such visits. Excellent air and sea transportation

services make such journeys pleasant and not too time-consuming. Business contacts are, of course, made simpler if the executive speaks and understands Spanish. It is the "open sesame" in Latin America. But ignorance of the language affords no valid excuse for staying away; many Latin American businessmen do speak and understand English. Yet, with the way open before them, only about 250 Canadian businessmen visited Latin America in 1951.

The experience of one firm shows the value of personal contacts. This company had been, for some years, doing business by correspondence with several Latin American companies. Import and exchange controls imposed by certain countries began to cut down orders. Their first reaction was to pull out of the area altogether. Before taking the decision, however, the export manager came to see the Area Officer for Latin America at the Department of Trade and Commerce. The officer suggested that the exporter visit the area himself before deciding on a course of action. The advice was followed and, with only one-fifth of the trip over, the man had written enough business to justify it financially.

Help with the Job

If personal selling is impossible just now, ask some companies, how can we still win a share of this market? It is here that the Department of Trade and Commerce can help most. The Area Officer, the Commodity Officers, and the International Trade Relations Branch can advise on the sales outlook for various products and on problems or restrictions in certain countries. By writing to the Trade Commissioner stationed in the territories in which the exporter is interested, they can obtain an up-to-date report on the market for the product. Later, if business prospects warrant it, the Trade Commissioner can help to select a suitable agent.

In the last resort, selling in Latin America is still a matter for the individual businessman. At some point he should visit his market. And one visit alone will not do the job. One expert's recipe for success is: "Get into the market, build it, consolidate it—then watch it grow".

"Canada's share in the trade of Latin America," says a recent DBS report, "remains small . . . in spite of the fact that further expansion would strain neither the highly competitive markets nor the productive facilities of either party."

The Trade Mission, in the next few weeks, will open the way. From then on, it's up to Canadian business.

—O. MARY HILL
Editor, "Foreign Trade"

NOTE ON TIN

Canada's tin production in 1951 dropped more than 50 per cent in 1951 compared with 1950, reports the Department of Mines and Technical Surveys. The figures: 154 long tons, valued at $493 thousand in 1951, compared with 356 long tons, valued at $828 thousand, in 1950. The 154 long tons provided slightly over 3 per cent of Canadian requirements of tin. Over 80 per cent of the world's tin comes from British Malaya, Indonesia, Bolivia, Belgian Congo, Thailand, and Nigeria. Malaya has been able to keep up its tin output despite the continuing disorders.

Greece

Shaping an Economic Program

Easing of the balance of payments problem, reduction of interest rates, encouragement of foreign investment—these are among the objectives of the new Greek Government.

ATHENS—On November 16, a general election here brought to power the Greek Rally Party, headed by Field Marshal Papagos, with 239 seats out of a total of 300 in the Parliament.

One of the most immediate problems facing the new government is the international balance of payments. Greece had an overall deficit on current account of US$170 million for the fiscal year ended June 30, 1952, including a dollar deficit of US$106 million. United States aid has now been reduced to about $80 million and may be cut further in the next fiscal year. At the same time, inflation is continuing and Greek exporters are finding their prices too high for them to compete effectively. The crux of this serious situation is low agricultural productivity, limited industrial development, and a rapidly increasing population. Field Marshal Papagos has pledged his government to face up to these realities and his efforts to find basic solutions will be watched carefully at home and abroad.

Economic Policies Take Shape

The new government will inherit a budget framed principally by the opposition. However, it is believed that Field Marshal Papagos will endorse and extend many of the measures incorporated in the budget submitted to Parliament last August. Most noteworthy of these is the economy drive to reduce administrative costs, subsidies, and grants for public works. At the same time, some improvements in the tax collection system are planned. Higher import taxes on less essential goods have just come into effect. If estimates of national income and tax yields are realized, the Government will have a surplus (approximately 913 milliards drachmae*) for the first time since the end of the war. Expenditures for imported military supplies and a few selected reconstruction projects will continue to be financed from United States aid. The new budget should have a deflationary effect.

Other important economic objectives were set out in a radio speech on December 6th by the key Minister of Co-ordination, Mr. Markezinis. Most significant among these is the effort that will be made to establish an atmosphere of confidence and stability in which business can operate. The Government hopes to play a less active role in the economy in future. It would be responsible for creating the conditions in which the

* 15,000 drachmae=US$1.00.

interplay of free competition and private initiative could work to the advantage of the Greek people. This would be a fundamental change from the present highly controlled and rigid economy.

The Minister also announced that the nation's banking system would be revised and the present extremely high rate of interest reduced to stimulate business activity. Everyone realizes that indirect measures of this nature require time to prove their worth. In the meantime, Greece will undoubtedly continue to experience inflationary pressures and the trading difficulties resulting from a highly over-valued currency.

Foreign Trade Policy

Further extensions to the import contribution law were announced just before the elections. This measure, which levies a tax ranging from 25 to 200 per cent on the foreign exchange for certain imports, is designed to provide a fund to subsidize slow-moving export items. This law originally covered $30 million worth of less essential items and has now been increased to apply to $58 million (or about 25 per cent) of the country's total imports. The new measure will undoubtedly limit further the import of items not provided for in the official import program. It will also make the Greek market even more difficult for Canadian exporters of consumer goods in the immediate future.

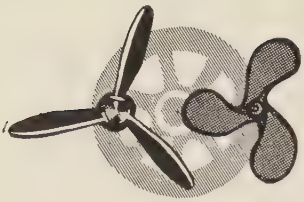
The Government hopes that the law will yield quick results in increasing the flow of over-priced export staples. However, there are indications in recent Greek statements to OEEC and to Mutual Security Agency officials that it is realized that expedients of this nature are not a fundamental solution to basic economic problems. Rather, official circles hope that Greece will be able to undertake a major reconstruction program aimed at increasing the output of export and import-replacing industries. This will be done after improving the climate for foreign investment through measures to better the economic situation.

A limited number of reconstruction and expansion projects are now being pressed forward. Most important of these are land reclamation schemes to increase land under cultivation by 59,700 hectares (1 hectare= 2½ acres) and irrigating another 40 thousand hectares. Two private firms are attempting to finance the development of local barytes and bauxite deposits, and plans have been announced for the construction of Greece's first small steel plant, using local stocks of scrap. However, the low level of per capita income (still below prewar) makes it impossible for this country to finance a major investment program from current savings.

In the past, the reluctance of Greek and foreign businessmen to invest their capital here has aggravated the situation. Not the least among the reasons for this has been the unsettled state of the country and it is already apparent that the strength and assured term of office of the new government has encouraged private capital. Several important international businessmen have since arrived in Greece and among the proposals advanced are the construction of an oil refinery and a sugar refinery. If the Government is successful in initiating a flow of private capital, it is probable that requests for continued reconstruction aid will be more favourably received by the United States and by international lending institutions.

—A. G. Kniewasser
Assistant Commercial Secretary for Canada

67321—2



TRANSPORTATION NOTES

AUSTRALIA

Railway Rehabilitation—The West Australian Government Railways is engaged in an extensive rehabilitation program designed to make good the deterioration suffered during the war years. In addition to new locomotives and rolling stock already acquired, equipment now being built in England for West Australia includes: 48 X-class, 1,150 h.p. diesel electric locomotives; 18 Y-class, 400 h.p. diesel electric locomotives for shunting and country branch-line services; three smaller diesel mechanical locomotives for jetty shunting; 24 VF-class, 138-ton heavy duty steam locomotives; 22 diesel mechanical rail cars for fast suburban and country services.

Modern equipment, such as centralized traffic control, will be installed, and the tracks are being strengthened to carry the heavier locomotives—Melbourne, December 14.

BRAZIL

Surtax on Rio Lifted—Foreign shipping companies have decided to lift the 15 per cent surtax on shipments to Rio, charged to cover additional operating costs resulting from port congestion—Rio de Janeiro, December 27.

Port Re-equipment—Two projects of the Joint Brazil-United States Economic Commission have been approved by President Vargas. The first covers the re-equipment of the Port of Santos and calls for a $3,674,300 loan to construct warehouses and silos and to purchase freight-handling equipment. The second, coming under a general plan for port improvements, requires a $26,809,350 loan to purchase dredges and auxiliary equipment to improve and enlarge Brazilian harbours—Rio de Janeiro, December 12.

CHILE

Reservation of Freights—The Minister of Economy has instructed the Foreign Trade Council that, in future, a minimum of 50 per cent of export freights must be reserved for the National Merchant Marine. This measure, which will have far-reaching effects, is to be considered immediately by the Council—Santiago, December 20.

Port Charges Increased—The Customs Board has decided to increase dock and lighterage dues by 35 per cent. This levy is necessary to meet increased salaries and wages for port employees and workmen—Santiago, December 20.

IRELAND

Transatlantic Air Service—A new transatlantic air service between Boston, New York and Shannon will begin in April 1953, subject to approval by the governments concerned. The service will be operated by Aer Linte, an Irish company formed in 1948. Aircraft and crews will be provided by an American company, Seaboard and Western Airlines Incorporated. The agreement between the two companies will continue until December 31, 1956. Douglas Skymasters with accommodation for 64 passengers will be used. A number of Super-Constellations are also on order and should be delivered in 1954.

Four to six round flights will be made each week during the summer. In winter, flights will take place on alternate days. Under the agreement, the Irish company will accept the profit or loss on the operation—Dublin, December 28.

ISRAEL

Grain Elevator for Haifa—Construction of the long-projected grain elevator, the first in Israel, with an initial capacity of 20 thousand tons and a handling capacity of 200 tons per hour, began recently and should be completed within 15 months. Grain in bulk will be loaded into and unloaded from the elevator, which will also be equipped for cleaning, disinfecting, weighing, packing, storing and distributing cereals. The new elevator should speed up the discharging of grain ships, and eliminate demurrage penalties which have drained the country's foreign exchange in the past—Athens, December 15.

PERU

Callao Port Authority Created—To relieve congestion and improve facilities and services at Callao is the aim of the recently formed Callao Port Authority. This port of entry for the city of Lima, the most important trading centre in Peru, has long needed such a re-organization.

The Port Authority is controlled jointly by the Government and private industry. The Technical Director for a three-year term is Colonel H. W. Quinn, who was a member of the investigating mission. The Authority, it is expected, will soon bring this important marine terminal up to a high standard of mechanization and efficiency—Lima, December 10.

SCOTLAND

Marshalling Yard Scheme—British Railways (Scottish Region) have announced that work will begin shortly on a new marshalling yard at Thornton, Fife. Cost is estimated at more than £750 thousand. The new yard will speed up the flow of coal to all parts of the country from the Fife coalfields, where big developments are taking place. Thornton is the focal point of the principal portion of the Fife coal-fields, both in relation to the collieries, mines, and open-cast sites grouped around it, and to the layout of the main railway routes—London, December 15.

67321—2½

Power for Farm and Industry

Electric power output is rising, new generating plants are operating, one-quarter of rural electrification plans have been completed, the Electricity Supply Board reports.

DUBLIN—Canadian aluminum and copper are playing a part in Ireland's growing electricity production which, according to the report of the Electricity Supply Board, totalled 1,029 million units for the year ended March 31, 1952. This represented an increase in output of 6·25 per cent, or 60 million units, over the previous year. Hydro stations contributed 456 million units and steam stations 573 million.

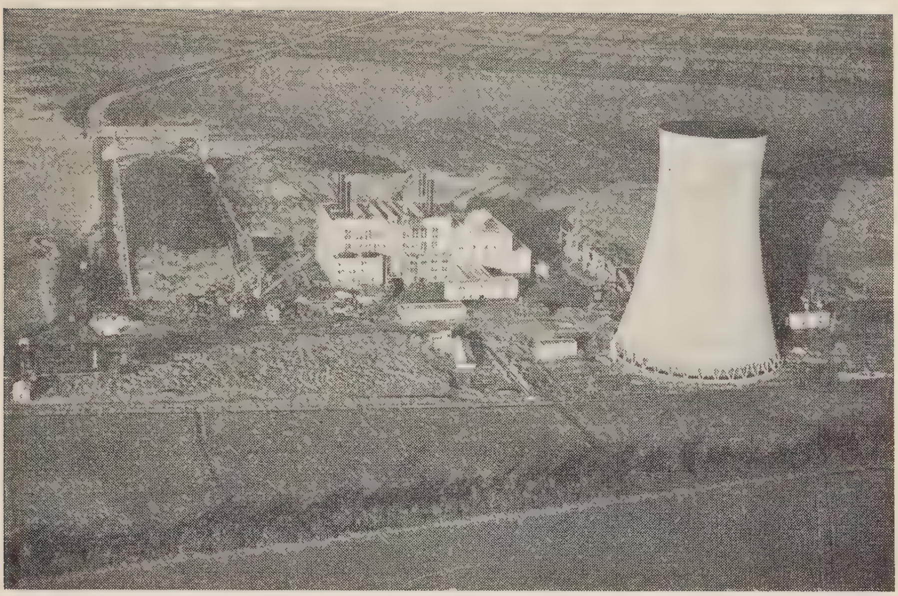
Plants placed in commission during the year were valued at £10,120,656, compared with £4,881,573 in the preceding year: aggregate capital investment to date is £45,785,000. Early in the year, the peat-fired station at Allenwood put its first generating set of 20 thousand kilowatts into operation. The second set should be working before the end of the year. The Allenwood station uses 180 thousand tons of peat a year. In terms of heating value, this is roughly equivalent to 100 thousand tons of coal and means a saving of about £250 thousand on the cost of imported coal.

Erne River Scheme

The new hydro-electric scheme on the River Erne, County Donegal, which cost £6 million, was opened early in October. It comprises two stations, one at Cliff and the other at Cathaleen's Falls. A generating set at Cliff has been in commission since August 1950. This set generates at 10 thousand volts and the power is then stepped up and fed into the national grid at 110 thousand volts. The installation of a second 10 thousand kilowatt set will begin early next year and it will probably come into operation in 1954.

The larger and more important of the two stations in the Erne scheme is at Cathaleen's Falls, with two generating sets of 22,500 kilowatts each. A third set is to be installed when the power load in the country requires it. Almost 250 miles of 110 k.v. transmission lines have been reticulated from Cathaleen's Falls to transformer stations at Carrick-on-Shannon, County Leitrim, Drogheda, County Louth and Fingles, County Dublin. Moreover, a 38 k.v. line has been constructed from Ballyshannon on the River Erne to supply County Donegal and part of Sligo.

The full output from the Erne scheme will not be available until works associated with water storage and regulation, to be carried out in conjunction with the Ministry of Finance for Northern Ireland. have been completed.



This peat-fired power station at Allenwood, County Kildare, is the largest of its type in Europe. It uses about 180 thousand tons of peat a year, most of which comes from the peat bog seen in the background.

About one-quarter of the Electricity Supply Board's Rural Electrification Scheme is now complete. During the year ended March 31, 1952, 49 areas (of approximately 25 square miles each) were electrified and 18,067 consumers supplied. This makes a total of 180 areas completed to date and 59,023 consumers connected since the inauguration of the scheme in 1946. Investment up to March 31, 1952, totalled £5,166,758.

The Board's plans for the next five years include two hydro stations on the River Lee of 27 thousand kilowatt capacity; the extension of the North Wall (Dublin) oil-fired station by 32 thousand kilowatts; a new coal or oil station of 90 thousand kilowatts at Ringsend, Dublin; a new 60 thousand kilowatt coal or oil station in Cork, and a new 40 thousand kilowatt peat-fired station at Ferbane, County Offaly. This program, when completed, will raise the Board's installed capacity to 609,500 kilowatts.

—George Shera

Office of the Commercial Secretary for Canada

CIRCULAR CONSTRUCTION

A new type of apartment house is being built in Stockholm, Sweden. Circular in form, it will have three to four storeys, with ten apartments on each floor. The round outer walls, the architects say, occupy a smaller area, help to decrease the heating cost, and make for less waste space. In the interior, the circular outside walls will scarcely be noticed.

The Cotton Industry Grows Up

Stimulated originally by Shanghai manufacturers anxious to spread their investments, the Colony's cotton industry now includes 23 new mills, producing largely for Eastern markets.

HONG KONG—Since 1948 the cotton textile industry here has made rapid strides and has won an important place. Today there are 23 new mills equipped with the most modern textile machinery and producing good quality yarns and piece goods. Efficient production facilities coupled with an abundant labour supply make these Hong Kong products competitive in world markets. Although Southeast Asia and the United Kingdom have been the chief customers, the industry is now looking to other areas for export opportunities.

Before 1948 there were no cotton spinning mills in the Colony. The few small weaving mills were equipped only with obsolete power or hand-operated looms. In many cases so-called weaving factories consisted of a few hand looms located in tenements or in the back rooms of cottages. The industry was both owned and operated by local Cantonese.

Switched from Shanghai

In 1948, however, because of the uncertainty and unrest in China, textile manufacturers in Shanghai diverted incoming shipments of textile machinery to Hong Kong as a means of spreading their investments. Additional quantities of equipment were also ordered for delivery to the Colony. Because the Cantonese were inexperienced in the operation of spinning machinery and modern power looms, a nucleus of skilled technicians was brought in from Shanghai. They remained in the Colony until local workers were trained to fill all requirements.

In three years, some 13 spinning mills were established. Seven of these mills have weaving sheds in conjunction with their spinning operations. The Shanghai businessmen established a further ten mills which are engaged in weaving only. Thus there are a total of 17 new weaving plants in the Colony. All of them are modern and efficiently laid out. Some are air-conditioned. About one-half of the equipment was imported from the United Kingdom; the remainder was purchased from the United States, Japan and Switzerland. Each unit of machinery is operated by its own electric motor, thus eliminating hazardous belts and overhead shafts. Good lighting and ventilating arrangements have been provided.

Altogether there are 198 thousand spindles. The number of spindles per spinning mill ranges from 37 thousand in the largest to 6,000 in the smallest; the average is 15 thousand. The bulk of the yarn spun is 20's

count but 10's, 32's and 40's are also produced. The spinning mills operate 24 hours per day and have an annual productive capacity, based on 20's count yarn, of 168 thousand bales of 400 pounds each.

The 17 new weaving sheds have a total of 2,969 modern power looms. In addition, the Colony has some 1,600 other power looms owned and operated by the Cantonese section of the industry. Most of the latter have been in operation for a number of years and are located in small plants, few of which have over 60 looms each. Many have only 20 or 30. An unknown number of hand-powered looms are operated in cottages. The total productive capacity of all looms, based on a 24-hour day and producing (say) a grey sheeting fabric 60 x 56 and 36 inches wide, is rated at some 100 million yards a year. Unlike the spinning mills, however, the weaving plants are not in continuous production. When there is a slackening in demand, many of the small ones close down completely and the larger ones reduce hours.

Working Conditions Good

Working conditions in the new spinning and weaving establishments are good. Wages range from HK$4.00* to $7.00 per day for both piece rate employees and those on daily wages. Supervisors and foremen earn from HK$8.00 to $11.00 per day. Free lodging for all employees is provided in dormitories at the mills and work clothing supplied. The companies partially defray the cost of food served in their canteens. Additional services include medical attendance, first aid, hospital accommodation and educational facilities.

The raw cotton for the industry is imported from a number of sources. About 50 per cent of the total annual requirements of approximately 250 thousand bales comes from Pakistan; the remainder is imported chiefly from East Africa (Uganda and Tanganyika), Egypt, Burma and Turkey. During the first nine months of 1952 imports amounted to 106 thousand bales of 400 pounds each, valued at HK$132,266,112. It is advantageous for the industry to import raw cotton from British Empire sources so that the yarn and piece goods exported from the Colony to Commonwealth markets may have sufficient Empire content to qualify for preferential tariff treatment.

Exports Large

Between 70 and 80 per cent of the industry's production of yarns and piece goods is exported. Most of the yarn exported is 20's count. Chief sales outlets for cotton yarns are Formosa, Indonesia, Burma and Pakistan. Fabrics sold abroad are largely grey goods such as sheetings, jeans, ducks, drills and shirtings. Formosa, Indonesia, the Philippines, Malaya and the United Kingdom are the chief markets for piece goods. Exports of yarn and piece goods to China are not significant. At present the industry has sufficient orders to keep the spinning and weaving mills operating at capacity. Exports during the first nine months of 1952 amounted to 26,150,784 pounds of yarn valued at HK$115,396,147 and 14,540,009 square yards of cloth valued at HK$22,551,281.

---

* One Hong Kong dollar=approx. $0·1515 Canadian.

Current export prices, f.o.b. Hong Kong, for good quality cotton yarns range from HK$1,170 per 400-pound bale for 10's count, $1,450 for 20's, $1,800 for 32's to $2,100 for 40's. Each bale contains 40 bundles of hanks and is wrapped in waterproof paper and burlap with steel binding. Three such bales comprise one shipping ton of 40 cubic feet. If the buyer prefers to have the yarn on cones, these are shipped in wooden cases containing 80 to 100 cones of 2 or 2½ pounds each. The cases measure 20 cubic feet and weigh 200 pounds and two cases equal one shipping ton. Shipping charges are higher when the yarn is exported on cones because of these cases. The additional cost of packing in wooden cases amounts to about HK$100 per 400-pound lot.

Standard grey sheeting and shirting is usually exported in pieces 36 inches wide and 40 yards long. A typical price f.o.b. Hong Kong for such a piece 60 x 60, woven from 20's count yarn and weighing 12 pounds, is about HK$50.00. Packed for export, there are 20 pieces per bale and eight bales constitute one shipping ton. The export price of standard grey jeans 89 x 50 is approximately HK$50.00 per piece 30 inches wide, 40 yards long, of 20's count and weighing 12 pounds. Drill is usually sold in pieces 30 inches wide and 80 yards long. The price of a drill fabric 96 x 48 and weighing 17½ pounds per piece is currently about HK$1.65 per yard, f.o.b. Hong Kong, packed in bales containing ten pieces each.

—M. B. Blackwood
Assistant Canadian Government Trade Commissioner

How Louisiana Mines Sulphur

NEW ORLEANS—Down here in Louisiana, supplies of sulphur are steadily dwindling. This hard fact has spurred on mining engineers in their search for ways of recovering sulphur from deposits in difficult locations.

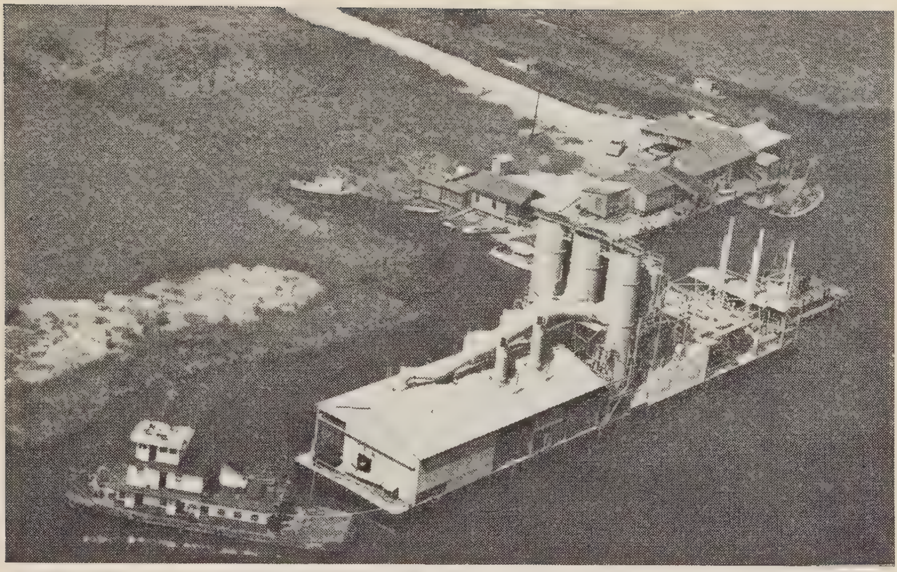
One of the most unusual methods has been worked out by the Freeport Sulphur Company. This company faced the problem of taking out sulphur at their Bay St. Elaine mine in the Louisiana marsh country. They solved this problem of underwater mining successfully—and added 100 thousand tons a year to their production of this vital material.

The Answer

Their answer to technical difficulties consisted of a $2 million floating mining plant, two giant thermos bottles, and a completely new mining process using sea water.

The floating plant, built on a 200 x 40-foot barge, has the capacity to heat two million gallons of water to 325 degrees, to be pumped into six wells at a time. It generates its own electricity, using as fuel gas from the nearby gas wells. Two huge tugs towed and pushed it through bayous and canals to the mining site, where it was then tied to pilings.

The watery site, which provided no place to build the plant, did not offer any location to cool the liquid sulphur produced by the process. To



This floating mining plant, built on a barge, has solved the problem of taking out sulphur from a mine in the Louisiana marsh country. It was tied to pilings after being towed to the site by two huge tugs.

overcome this, two huge barges were built, each 224 x 39 feet, with a capacity of 1,000 tons of molten sulphur. These barges have insulated walls and are equipped with steam coils. They thus serve as thermos bottles to hold the sulphur in liquid form until it is unloaded at Port Sulphur, 75 miles away.

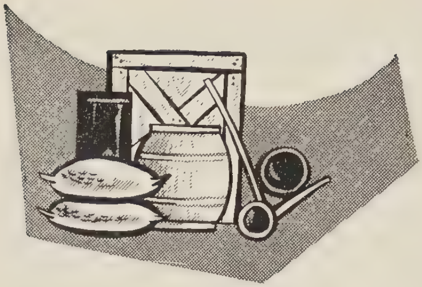
Still another problem had to be surmounted before plant operations could begin. The normal process for mining sulphur uses fresh water—but the nearest fresh water was 35 miles away. Sea water was right at hand, but its corrosive action on tubes, pipes and fittings had to be controlled before it could be used. Corrosion is caused by the action of the mineral combining with oxygen. One element had to be removed and the engineers found a cheap way of removing oxygen. The boilers, however, use distilled water over and over in a closed system and heat the salt water going into the sulphur by indirect exchangers.

The whole process is now working well and adding materially to Louisiana's sulphur supplies.

—C. O. R. Rousseau
Vice-Consul of Canada and Assistant Trade Commissioner

FIRST OIL WELLS

Over ninety years ago, in 1861, Canada's first oil well "blew in". That was at Petrolia, Ont., in a field which is still producing. Nowadays Canada's crude petroleum output (1951 figures) is over 48 million barrels a year, but about 96 per cent of this comes from Alberta wells. The Ontario fields, all in the southwestern part of the province, produced about 197 thousand barrels.



COMMODITY NOTES

ARGENTINA

Box Shooks—The Argentine Ministry of Industry and Commerce has announced that firms using box shooks for fruit packing must obtain their supplies from local factories. Wooden boxes may be imported only if the national industry cannot fill the demand. This is another measure to protect the local manufacturers from foreign competition—Buenos Aires, December 12.

BRAZIL

Hides and Skins—Brazil's exports of hides and skins during the first six months of 1952 were only 10,887 tons, compared with 34,489 tons in the same period last year. The decline results from high prices in the world market and the lack of interest on the part of British buyers, formerly Brazil's leading customers. Exports of hides and skins also suffered a sharp drop when barter trade was suspended—Rio de Janeiro, December 15.

CHILE

Gasoline—The first production of gasoline, 200 thousand litres, from the "Manantiales" oil fields has been stored in the tanks of the National Petroleum Company. Until a definite price is fixed, this will be sold at the same price as the imported product—Santiago, December 10.

GERMANY

Textiles—The Federal Association of the Textile Trade has announced that prices for textiles and shoes have declined 31 per cent since the Korean boom. However, the decline is not expected to continue. Textile production is steadily rising; in October, production of yarns amounted to 51,933 tons for 27 working days. In September 46,664 tons were produced in 26 working days. (The average production in 1951 was 45,916 tons.) The amount of yarn processed in October 1952 rose to 52,791 tons, compared with 48,191 tons in September and a monthly average of 42,849 tons during 1951—Bonn, December 10.

MOROCCO

Rice—Rice cultivation in Morocco is a recent development but appears capable of considerable expansion. At present it is localized in the Rharb region where the soil is suitable and water supplies good. This area could probably support 5,000 hectares of rice. Yields have been fairly satisfactory, averaging 35 to 40 quintals per hectare of "Paddy" rice, but better harvests can be expected because growers have followed French and Italian growing methods—Paris, December 15.

NETHERLANDS

Bacon—A new bacon contract has been concluded between the Netherlands and the United Kingdom to succeed the four-year agreement expiring on December 31, 1952. It provides for delivery of a maximum of 35 thousand long tons of bacon up to January 2, 1954, at 252/6 per 112 lb., f.o.b. Netherlands ports.

The new price is the same as agreed upon recently under the Anglo-Danish bacon agreement and represents a decrease of nearly 7½ per cent on the average price received under the old contract. This called for delivery of 25 thousand tons at 262/5 per 112 lb. and 10 thousand tons at 300/– per 112 lb., or an average of 272/6, during the period October 1, 1951-December 31, 1952, with prices for additional quantities to be negotiated—The Hague, December 12.

SOUTH AFRICA

Wheat—The first estimate of the 1951-52 wheat crop is 5,242,000 bags. Although less than half of last year's crop and nearly three million bags short of the eight thousand bags a year needed, the estimate is higher than many observers believed it would be. The 1950-51 crop in the Free State was 3,347,000 bags, but because of severe drought this year the current crop has shrunk to less than half of this figure. Production in the three main growing provinces, with last season's crop in brackets, is: Cape, 3,318,000 (3,472,000); Transvaal, 457,000 (877,000); Free State, 1,467,000 (3,347,000)—Johannesburg, December 18.

SWEDEN

Electric Resistance Material—A new type of electric resistance material which will withstand temperatures up to about 3,000°F. is reported to be ready for marketing by AB Kanthal, Halstahammar—Stockholm, December 9.

UNITED STATES

Granite Capacitors—The Rock of Ages Corporation of Barre, Vermont, is manufacturing from granite rock a minute capacitor for firms producing electronic devices. The capacitor is a small condensor used in radios, television sets and refrigerators. These cylindrical parts are being turned out at a rate of 2,000 a day. The manufacturers are erecting an addition to their plant and will eventually employ 750 workers—Boston, December 22.

United States

The Future of Controls

Average consumers have different opinions of the value of present price-wage controls; their fate will be decided at hearings early this year.

WASHINGTON—Opposition to the Office of Price Stabilization's price and wage controls program, led by U.S. business and industry, has recently had an assist from the Congress of Industrial Organizations. The annual report of the late president of the CIO, in mid-November 1952, urged the end of all wage controls. Mr. Murray declared that the price control program had been virtually abandoned and cautioned that there was the "danger of a deflationary tendency within the economy". The report pointed to soft markets in some parts of the economy and collapsing price and production controls.

Fate Decided Soon

The fate of the price-wage control program, administered by OPS under the U.S. Defence Production Act, now has the attention of the joint Senate-House Defence Production Committee. Full hearings on its continuation are expected to take place before the Senate and House Banking and Currency Committees during February and March. During these hearings an official recommendation will be made either to scrap or keep these controls after the expiry date of April 30, 1953.

However, as recently as December 12, 1952, the new president of the American Federation of Labour called for maintenance of price controls, an indication that the split in the average consumer ranks on this much-debated subject continues.

Effect on Family Budget

Commodities and services fully subject to OPS price ceilings made up approximately 43 per cent of the budget of the average family of four, OPS reported on October 14, 1952. Partial control is maintained over the prices of other food products which make up about 15 per cent of the family budget. Remaining items in the index have been freed chiefly by Congressional action, OPS itself voluntarily lifting only 7 per cent of those remaining. On October 15 the Consumers' Price Index stood at 190·9 (on a base of 1935-39 equals 100), a slight decline from August's 191·1.

In contrast to the Consumers' Price Index, the following analysis of the Bureau of Labor Statistics' Wholesale Index is of particular interest. It indicates the control status of individual commodities on November 26, 1952, and shows base value weights.

BLS Wholesale Price Index

Control status of individual commodities as of November 26, 1952, showing base value weights

(millions of dollars)

Group	Total	E-A[1]	E-OPS[2]	S[3]	SCP[4]	CP[5]	C[6]
Farm products	$ 30,088·7	$2,689·3	$6,276·0	$ 2,656·2	$10,197·2	....	$ 8,270·0
Processed foods	31,807·3	1,602·6	2,372·6	4,069·7	....	$680·0	23,082·4
Textiles, apparel	19,770·7	....	....	14,416·1	....	....	5,354·6
Hides, skins, leather..	4,235·2	....	....	3,720·2	....	....	515·0
Fuel, power, lighting..	17,555·8	4,498·9	....	....	....	....	13,056·9
Chemicals and products	10,754·2	....	324·3	347·0	....	....	10,082·9
Rubber and rubber products	3,185·1	....	....	....	....	....	3,185·1
Lumber and wood products	5,363·3	....	....	....	....	....	5,363·3
Pulp, paper and allied products ...	6,961·0	....	....	....	....	....	6,961·0
Metals and metal products	23,814·4	....	16·1	....	....	....	23,798·3
Machinery	28,687·3	....	....	....	....	....	28,687·3
Furniture, other household durables	7,862·0	....	152·9	1,680·5	....	....	6,028·6
Non-metallic minerals	2,789·8	....	....	....	....	....	2,789·8
Tobacco manufactures and bottled beverages	4,776·6	....	....	1,872·8	....	....	2,903·8
Miscellaneous	6,095·6	....	653·8	....	....	....	5,441·8
All commodities	203,747·0 2,193·3*	8,790·8	9,795·7	28,762·5	10,197·2	680·0	145,520·8
Grand total	205,940·3						
Relative importance ..	100·0	4·3	4·8	14·1	5·0	0·3	17·4

* Add to all commodities other than farm products and processed foods.
[1]E-A —Exempted by the Defence Production Act.
[2]E-OPS—Exempted by action of Office of Price Stabilization.
[3]S —Suspended.
[4]SCP —Subject to control under the parity adjustment provision.
[5]CP —Commodities controlled under the parity adjustment provision.
[6]C —Controlled.

Since then additional changes (not yet statistically measured) have been made. Chief of them was the early December suspension of controls on men's and boys' apparel and accessories.

At present about 70 per cent of wholesale items are still under OPS ceiling price regulations. At mid-November it was estimated that about one-third of these items were at their ceilings, another third near their ceilings, and the remainder significantly below. The wholesale price index trend since mid '51 has been steadily and gradually declining—from the monthly average of 114·8 in 1951 to 110·2 on December 2, 1952.

—G. A. Browne
Commercial Secretary for Canada

GENERAL NOTES

BRAZIL

Krupp to Make Locomotives—The Industrial Development Commission has approved a project by the Friedrich Krupp Industries of Germany to install a plant in the State of São Paulo to make locomotives. Krupp plans to invest Cr$100 million and the Commission approved its request for a number of exemptions to import basic materials and to facilitate immigration for German technicians. Brazil urgently needs railway equipment and the Commission has asked the Government to take immediate steps to carry out this project—São Paulo, December 13.

CHILE

Tractor Assembly—The Ministry of Economy is studying the proposal of an important German company for the establishment of a tractor assembly plant in Chile. Many of the tractor components could be manufactured from steel produced by the plant at Huachipato—Santiago, December 15.

CUBA

Export Totals—Cuban exports during the first six months of 1952 totalled $392·7 million. This breaks down as: sugar and by-products, $351·4 million; tobacco (leaf and manufactured), $16·6 million; stones, earths and mineral products, $10·4 million; metals and manufactures, $1·3 million; forestry products, $5·4 million; animals and animal products, $2·2 million; food products, $2·7 million; chemicals, pharmaceuticals and perfumery, $317 thousand; miscellaneous, $2·3 million. Renewed interest in Cuban minerals (manganese, nickel, iron, copper, chrome, etc.), gives this item third place among Cuban exports, following the country's staple export, sugar, and its distant second, tobacco—Havana, December 13.

GERMANY

New Uses for Natural Rubber—During recent meetings of the International Rubber Bureau at Frankfurt am Main, many new and proposed uses for natural rubber were discussed. A rubber exhibition designed to acquaint the German public with possible uses of natural rubber was held in Cologne. One of the more significant developments has been an increasing use of natural rubber compounds for

highway surfaces. Satisfactory results have been obtained from its experimental use on the highway from Hamburg to Lübeck and on several streets in Oberhausen and Stuttgart. Plans are being considered by the Federal Railway Association to equip the wheels of rolling stock with rubber surfacing. In agriculture, natural rubber for stall mats is thought to effect a considerable improvement in hygiene and economy—Bonn, December 10.

JAPAN

Long-term Credit Bank—The new Japan Long-Term Credit Bank began operations at the beginning of December. The bank, which was established under the Long-Term Credit Bank Law, is capitalized at Y5 billion. Applications for loans from Japanese power, shipbuilding, and iron and steel industries already exceed Y15 billion. Japanese banks have shown keen interest in the initial bond issues and the general public and the Finance Ministry are also expected to invest—Tokyo, December 10.

SOUTH AFRICA

Trade Declines—In the eight months to August 1952, the total trade of the Union was six per cent less than in the similar period of 1951. Imports declined by £18·6 million to £297·3 million and exports by £9·4 million to £218·1 million. During the first four months of the year, import arrivals against the 1951 quotas concealed the increasing rigours of the import control, and values and quantities were actually above those for the previous year. After the eight months, however, there was every indication that imports for the year would be reduced to the target of £406 million—Cape Town, December 10.

SWEDEN

Installations in India—A Swedish firm has been given the contract to instal the ventilation plant at Tata Iron and Steel Company in India which, with 40 thousand employees, is said to be one of the largest iron works in the world—Stockholm, December 9.

UNITED KINGDOM

Imports and Exports—Imports into the United Kingdom in November were valued at £261·8 million, compared with £266·6 million in October. Total imports for the first eleven months of the year were £3,218 million, nearly £400 million less than in the same period in 1951.

U.K. exports in November amounted to £207·2 million, £11·6 million below October. There were, however, two working days less in November and actually the daily rate of exports in that month was two per cent higher than in October. Exports to North America declined to £24·4 million, from £28·6 million in October. The surplus of imports over total exports was £45·7 million, compared with £35·7 million in October—London, December 20.

Documentation for Europe

The following table lists the documents required for freight shipments to European countries, other than those in the Soviet orbit, and indicates briefly the main points to follow in preparing these documents. Further explanation is given in the notes following the table.

Unless otherwise indicated (in the notes), there are no requirements as to the form of the documents, the language, weights or measures, and no certification or consular legalization is required.

Abbreviations: C.I. = Consular Invoice; Com. I. = Commercial Invoice; C.O. = Certificate of Origin; B.L. = Bill of Lading.

Country	Documents required	No. of copies	Notes (see below)
Austria	Com. I.	2	9.
	B.L.	1	
Belgium	Com. I.	1	9.
	B.L.	1	
	C.O.	1	3.14.
Denmark	Com. I.	2	11.
	B.L.	1	
	C.O.	2	13.14.
Finland	Com. I.	2	
	B.L.	2	
	C.O.	1	3.14.
France	C.I.	2	1.7.11.15.
	B.L.	1	
	C.O.	3	2.14.15.
Germany (Western)	Com. I.	1	9.
	B.L.	1	
	C.O.	1	3.14.
Greece	Com. I.	4	2.5.
	B.L.	1	
	C.O.	1	3.
Iceland	Com. I.	2	6.9.
	B.L.	2	
Italy	Com. I.	3	5.
	B.L.	1	
	C.O.	2	3.14.
Netherlands	Com. I.	2	10.
	B.L.	1	
Norway	Com. I.	2	2.10.
	B.L.	1	
Portugal	C.I.	3	1.16.
	Com. I.	1	
	B.L.	2	
	C.O.	2	1.14.
Spain	Com. I.	3	9.
	B.L.	1	
	C.O.	4	1.8.

Country	Documents required	No. of copies	Notes (see below)
Sweden	Com. I.	2	11.
	B.L.	1	
Switzerland	Com. I.	1	7.10.12.
	B.L.	1	
	C.O.	1	3.4.9.14.
Yugoslavia	Com. I.	2	
	B.L.	1	
	C.O.	1	3.

NOTES:

1. Requires consular legalization.
2. Consular legalization may be required in certain cases.
3. Requires certification by a Chamber of Commerce or similar organization.
4. Must be in the language of the importing country.
5. If language of importing country is not used, a translation may be required at the discretion of the Customs.
6. Should be in English or accompanied by a translation into English.
7. Should be in French or both English and French.
8. Should be in French or Spanish, or a Spanish translation is required.
9. Weights and measures must be stated in metric units.
10. Standard Canadian weights and measures may be used, but the metric system is preferable.
11. Commercial invoice is required only for goods dutiable at ad valorem rates, but desirable for other goods as well.
12. Commercial invoice is not obligatory, but desirable to supply shipper with information required for Customs declaration.
13. Must be issued by competent Canadian authorities.
14. Certificate of origin only required in certain cases.
15. Combined form of certificate of origin and consular invoice, prepared by commercial stationers, is acceptable.
16. The consular invoice, known as "declaration of cargo," must be of a prescribed form obtainable from commercial stationers.

General Observations

The table above is intended merely as a guide to the kind of documents required by each country and the minimum number of such documents necessary for customs clearance. Exporters should bear in mind that additional copies may be required by their European customers or by the forwarders, banks, etc.

Most of the countries in Europe specify in detail the data that should be given in the shipping documents. Moreover, sanitary or other special certificates are required by many countries for such imports as animals, plants, foodstuffs, etc. These requirements are not dealt with in the above table. However, full details are given in the series of leaflets on Shipping Documents and Customs Regulations which may be obtained from the Foreign Tariffs Division for all the countries listed above except Portugal, Spain and Yugoslavia. Information on these three countries can also be furnished on request.

The documents required for shipments by parcel post or air cargo to European countries are generally similar to those for freight shipments. Any differences in the regulations are shown in the leaflets on shipping documents.

All European countries restrict imports of some or all items from the dollar area, including Canada. Canadian exporters would be well advised not to ship their goods until they are assured that an import licence, if required, has been obtained by the importer.

(For list of Foreign Commercial Representatives in Canada see "Foreign Trade" of November 8, 1952.)

TRADE AND TARIFF REGULATIONS

BARBADOS

Licence Expiry Date—A notice issued by the Controller of Supplies, Barbados, on December 4 informed importers as follows:

"Licences issued on the *General Allocations* for imports from Canada, U.S.A., and all other non-sterling sources will expire on 31st December, 1952, notwithstanding the date of expiry stated on the licences, and goods covered by such licences must be shipped by 31st December, 1952.

"Importers holding licences for *essential* foodstuffs which will not arrive before 31st December, 1952, must make application for the renewal of these licences before 31st December, 1952.

"The above does not apply to licences issued under the Trade Liberalization Plan under which licences will continue to be issued up to 31st December, 1952. Goods covered by such licences will be admitted up to 31st March, 1953, after which date these licences will be invalid.

"As from this date licences against *General Allocations* will only be issued if importers can guarantee that goods will be arriving before the 31st December, 1952."

BELGIUM, NETHERLANDS, LUXEMBOURG

Tariff Suspensions Modified—Belgium, the Netherlands and Luxembourg have renewed for 1953 some of the suspensions and reductions in customs duties which have been maintained on a yearly basis since the common customs tariff for these countries came into force on January 1, 1948. On the other hand, some suspended rates have not been renewed and full rates on the goods concerned will be applied commencing January 1, 1953.

Duties will remain suspended on a number of items including canned salmon; sawn coniferous lumber not exceeding at any point 76·2 millimetres in thickness, 279·4 millimetres in width, or 7·01 metres in length; sawn lumber other than coniferous; Portland cement; acetone; and certain kinds of artificial silk yarns, fibres and waste.

Full customs duties will be payable on the following commodities (the suspended or reduced rates, and the full rates, effective January 1, 1953, are shown in parentheses): sawn coniferous lumber of larger dimensions than those indicated above (formerly suspended, now 10 per cent); newsprint (formerly 6 per cent, now 10 per cent); caustic soda (formerly 4 per cent, now 8 per cent); tinplate (formerly suspended, now 4 per cent); and certain new jute bags for packing (formerly 10 per cent, now 18 per cent)—Brussels, December 18, 1952.

(Exporters may obtain information on individual items affected from the Foreign Tariffs Division, Department of Trade and Commerce, Ottawa).

BERMUDA

Imports of Hams Permitted—The Bermuda Supplies Commission advised importers on November 24, 1952, that smoked, regular and picnic hams may be imported into the Colony from Canada and the United States on and after December 8, 1952.

BRITISH HONDURAS

Entry Tax—From November 21, 1952, the entry tax payable on imports into British Honduras, at the rate of one per cent of c.i.f. value with a minimum of ten cents per package, ceased to apply to beans and peas (whole and split); butter and lard and their substitutes; dholl; milk; and rice.

JAMAICA

Tonnage Tax—From November 27, 1952, this tax, levied on most imports into Jamaica, and whose basic rate is 6d. per package of 56 pounds or less, ceased to apply to all imports through the post. On October 9, 1952, a like exemption was granted in favour of articles forming part of the *bona fide* baggage of persons arriving in the Colony.

TRINIDAD

Import Quota Expiry Date—The Controller of Imports and Exports, Trinidad, has advised importers that all goods subject to import quotas which arrive in the Colony after December 31, 1952, or which are paid for after that date, will count against quotas for 1953, even though such goods were ordered against 1952 quotas.

Importers were also notified that, until further notice, no licences for articles other than foodstuffs would be issued on hard currency areas, except in special circumstances, for importation of goods in 1953.

This restriction does not apply to allocations under the Token Imports Scheme.

UNITED STATES

Restrictions on Canadian Hay Lifted—According to notice in the United States Federal Register of December 13, 1952, the United States has lifted the embargo on imports of Canadian hay produced east of Sault Ste. Marie, effective on the date of publication, December 13, 1952.

To qualify for entry the hay must be produced east of the 85th meridian, west longitude, and transported directly from that area to a United States port of entry located east of the 85th meridian, west longitude, without passing through any area of Canada west of that meridian.

Canadian exporters are advised to obtain the proper form of certification from authorized veterinary inspectors or seed and feed inspectors of the Canadian Department of Agriculture.

Department of Trade and Commerce

HEAD OFFICE DIRECTORY

This directory is intended as a useful reference for the business man who wishes to consult head office personnel on particular problems. Correspondence should be addressed to the heads of branches or divisions. Local government telephone numbers follow each name. (In Ottawa dial 9, followed by the local; when calling from out of town call the Government, 2-8211, and ask for the local only.)

No. 1 Building, 375 Wellington Street*

	Gov. Local
Minister: The Rt. Hon. C. D. Howe, P.C., M.P.	3693
Parliamentary Assistant: G. J. McIlraith, M.P.	7042
Deputy Minister: Wm. Frederick Bull	6748-2326
Executive Assistant: H. A. Gilbert	2380
Trade Policy Adviser: H. R. Kemp	5151
Associate Deputy Minister: M. W. Sharp	2888-5838
Economic Adviser: O. J. Firestone	4176
Assistant Deputy Minister: Oliver Master	2421
Comptroller-Secretary: Finlay Sim	2262

ECONOMICS DIVISION

Director: V. J. Macklin	5658

TRADE COMMISSIONER SERVICE

Director: G. R. Heasman	2530
Assistant Director: H. W. Cheney	3058
Assistant Director: L. H. Ausman	6800
Area Trade Officers	
Asia and Middle East: R. K. Thomson	8286
Commonwealth: A. B. Brodie	2144
Europe: K. Nyenhuis	5040
Latin America: A. Savard	7641

Western Representative: H. L. E. Priestman, 355 Burrard St., Vancouver.

Newfoundland Representative: Stott Bldg., St. John's, Newfoundland.

COMMODITIES BRANCH

Director: Denis Harvey	5417
Special Assistant: A. L. Neal	8269
Administrative Assistant: J. G. MacKinnon	6905

Export Division

Director: H. B. Scully (Acting)	6519
B.W.I. Trade Liberalization Plan: J. G. MacKinnon	6905-5670
Token Shipments to United Kingdom: A. E. Fortington	5680

Import Division

Director: C. F. McGinnis	7163
Export Controls in Other Countries: W. G. Hopkins	6552

Transportation and Communications Division

Director: G. S. Hall	6236
Assistant: H. A. Hadskis	2737
Traffic Section: J. H. Longfellow	7835

* Unless otherwise noted, all offices of the Department are in No. 1 Building.

Export and Import Permit Division

Chief: T. G. Hills 3640
Processing Officers:
Food, Steel, Non-Ferrous Metals, All Strategic Materials:
S. C. Cooke 6976
Textiles, Lumber and Products: K. A. Peaker 5508
Chemicals, Leather, Automobiles and Trucks and Parts: D. Alger 6963

Commodity Sections

(Export and Import)

Automotive, Agricultural and Construction Equipment
Chief: H. B. Scully 6519
Automotive and Self-Propelled Construction Equipment:
H. B. Scully 6519
Agricultural Machinery and Implements: G. C. Clarke 3873

Chemicals, Oils and Minerals
Chief: S. G. Barkley 7601
Chemicals and Allied Products: S. G. Barkley 7601
Oils and Fats: R. T. Elworthy 5177
Non-Metallic Minerals: E. J. Bonkoff 5823

General Products
Acting Chief: P. G. Jones 4160
Toys, Recreational Products, Musical Instruments: P. G. Jones .. 4160
Electrical Appliances, Sewing Machines: W. H. Grant 3209
Office, Hospital, Radio and Store Equipment: D. G. W. Douglas 6197
Handicrafts, Photographic Equipment, Jewellery: P. E. Jensen 5337
Plumbing, Heating and Hardware Products: G. W. Rahm 6958

Imported Foods
E. B. Paget 4161

Machinery, Metals and Electrical Equipment
Chief: E. C. Thorne 4082
Assistant to Chief: A. A. Dejausserand 5207
Non-Ferrous Metals: A. Tedford 5159
Miscellaneous Capital Goods: J. D. Moorman 7546

Textiles, Leather and Rubber
Chief: G. R. Poley 3004
Fabrics: G. R. Poley 3004
Wearing Apparel: E. G. Gerridzen 5378
Fibres and Products: A. C. Fairweather 7815
Leather and Rubber Products: F. T. Carten 4966

Wood and Wood Products
Chief: G. H. Rochester 4447
Lumber and Manufactured Wood Products: J. C. Dunn 4863
Logs and Lumber Products: R. Bonnar 5127
Paper: E. Clarke 6974
Pulp and Pulpwood: M. N. Murphy 5811

Export and Import Directories

Chief: G. L. Tighe 6681

AGRICULTURE AND FISHERIES BRANCH

Director: G. R. Paterson 4301
Wheat and Grain Division: Assistant Director, G. N. Vogel.......... 5830
Agricultural Products
Plants and Plant Products: G. F. Clingan.......... 7523
Livestock, Dairy and Poultry Products: K. L. Melvin.......... 3172
Animal Products: A. J. Stanton.......... 5859
Fish and Fish Products: T. R. Kinsella.......... 7385

INTERNATIONAL TRADE RELATIONS BRANCH

Director: C. M. Isbister	4042 2250
Foreign Tariffs Division	
Director: B. G. Barrow	2250
Assistant: H. V. Jarrett	5642
Australia, New Zealand, South Africa: E. J. McMeekin	8727
Europe: F. P. Weiser	5642
Latin America, France, Spain, Portugal: A. M. Baldwin	8727
United Kingdom, British West Indies, Asia: Miss H. K. Potter	8469
United States: B. S. Shapiro	8469
Commercial Relations	
R. B. Nickson	7594
M. Schwarzmann	7594
W. Lavoie	6531

INFORMATION BRANCH

Director: H. Leslie Brown	2479-6394
Assistant Director: J. Fergus Grant	2186
Editor: Foreign Trade and Commerce Exterieur: Miss O. Mary Hill	6588
Advertising: Roy A. Abrahamson	6435

TRANSLATION BRANCH

Chief: J. C. Letellier de St-Just	2760
Miss M. J. Bourque	2760
M. Roy	2760

INDUSTRIAL DEVELOPMENT DIVISION

Director: G. D. Mallory	3819
Assistant Director: B. R. Hayden	7886
Technical Officer: W. J. Moloughney	5909

CANADIAN GOVERNMENT EXHIBITION COMMISSION

479 Bank St.

Director: Glen Bannerman	3558
Assistant Director: F. P. Cosgrove	7818

EXPORT CREDITS INSURANCE CORPORATION

Birks Bldg., 107 Sparks St.

General Manager: H. T. Aitken	2-4828
Chief Credit Officer: A. W. Thomas	2-4828
Secretary: T. Chase-Casgrain	2-4828

DOMINION BUREAU OF STATISTICS

Parkdale Ave.

Dominion Statistician: Herbert Marshall	6371-2529
Assistant Dominion Statistician: J. T. Marshall	7695
Agriculture Division	
Director: C. V. Parker	4774
Census Division	
Director: O. A. Lemieux	2088
Education Division	5933
Information Services Division	7544
Canada Year Book and Canada Hand Book	
Director: J. E. Robbins	
Health and Welfare Division	
Director: F. F. Harris	6651
Industry and Merchandising Division	
Director: W. H. Losee	2125
International Trade Division	
Director: C. D. Blyth	8340
Labour and Prices Division	
Director: H. F. Greenway	7424
Public Finance and Transportation Division	
Director: J. H. Lowther	5396
Research and Development Division	
Director: S. A. Goldberg	3071
Special Surveys Division	
Director: A. B. McMorran	5570

STANDARDS BRANCH

West Block, Wellington St.

Director: R. W. MacLean	2132
Assistant Director (Electricity and Gas): E. F. Power	2956
Assistant Director (Weights and Measures): C. S. Phillips	2000
Assistant Director (Precious Metals Markings): W. L. Berry	7075

INTERNATIONAL ECONOMIC AND TECHNICAL CO-OPERATION DIVISION ("COLOMBO PLAN")

No. 4 Building, Lyon St.

Administrator: Nik Cavell	8495
Assistant Administrator: R. W. Rosenthal	8429
Technical Co-operation Service	
Chief: J. A. Macdonald	5542
Assistant Chief: J. T. Hobart	8662

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalents multiply by 1·0309.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Dec. 23*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1293	
		Basic buying	·1940	(1)
		Preferential selling	·1940	
		Basic selling	·1293	
		Free	·0698	
Austria	Schilling		·0454	
Australia	Pound		2·1800	
Belgium-Luxembourg & Belgian Dependencies	Franc		·0193	
Bolivia	Boliviano	Official	·01617	tax 5% (1)
		Differential	·00965	tax 3% (2)
British West Indies	Dollar		·5677	(3)
	Pound		2·7250	(4)
	Dollar	Brit. Honduras	·6812	
Brazil	Cruzeiro		·0524	tax 8% (2)
Burma	Kyat		·2044	
Ceylon	Rupee		·2044	
Chile	Peso	Official	·03124	(1)
		Commercial	·01615	
		Free	·00795	
Colombia	Peso	Basic	·3880	tax 3% (2)
		Coffee Buying	·4243	
Costa Rica	Colon	Official	·1731	(5)
		Free	·1454	*Oct. 31
Cuba	Peso		·9700	tax 2%
Czechoslovakia	Koruna		·0194	
Denmark	Krone		·1404	
Dominican Republic	Peso		·9700	
Ecuador	Sucre	Official	·06466	(6)
		Free	·05575	
Egypt	Pound		2·7854	
Fiji	Pound		2·4550	
Finland	Markka		·00422	
France	Franc		·00277	
French Africa	Franc		·00555	
French Pacific	Franc		·01526	
Germany	D Mark		·2310	
Greece	Drachma		·000065	
Guatemala	Quetzal		·9700	
Haiti	Gourde		·1940	
Honduras	Lempira		·4850	
Hong Kong	Dollar	Free	·1563	*Oct. 27
Iceland	Krona	Official	·05956	
		Special buying	·04580	
		Special selling	·03722	
India	Rupee		·2044	
Indonesia	Rupiah	Basic	·08509	
		With Surcharge I	·04254	(7)
		With Surcharge II	·02836	
		Dollar certificate	·00185	*Nov. 17

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Dec. 23	(See below) Notes
Iran	Rial	Certificate I	·011246	*Oct. 31
		Certificate II	·011149	*Oct. 31
Iraq	Dinar		2·7250	
Ireland	Pound		2·7250	
Israel	Pound	Basic	2·7160	
		Special	1·3380	
		Investment	·9700	
Italy	Lira		·00156	
Japan	Yen		·00269	
Lebanon	Pound	Free	·2717	*
Mexico	Peso		·1121	
Netherlands	Guilder		·2553	
Netherlands Antilles	Guilder		·5144	
New Zealand	Pound		2·7250	
Nicaragua	Cordoba	Effective buying	·1470	(8)
		Official Selling	·1376	
		With Surcharge I	·1205	
		With Surcharge II	·0965	
Norway	Krone		·1358	
Pakistan	Rupee		·2932	
Panama	Balboa		·9700	
Paraguay	Guarani	Basic	·06466	(1)
		With Surcharge I	·04619	(9)
		With Surcharge II	·03233	
Peru	Sol	Certificate	·0625	
Philippines	Peso		·4850	tax 17% (2)
Portugal	Escudo		·03378	
El Salvador	Colon		·3880	
Singapore & Malaya	Straits dollar		·3179	
South Africa (Union of)	Pound		2·7250	
Spain & Dependencies	Peseta	Basic buying	·04429	
		Basic selling	·08645	(1)
		†Basic commercial selling	·05906	
		Free	·02446	
Sweden	Krona		·1875	
Switzerland	Franc		·2263	
Syria	Pound		·2716	*Nov. 17
Thailand	Baht	Official	·0776	(1)
		Free	·05757	*Oct. 31
Turkey	Lira		·3464	
United Kingdom	Pound		2·7250	
United States	Dollar		·9700	
Uruguay	Peso	Official	·6386	
		Basic buying	·5449	
		Special buying	·4128	(1)
		Basic selling	·5105	
		Special selling	·3959	
Venezuela	Bolivar		·2896	(10)
Yugoslavia	Dinar		·00323	

* Latest available quotation date.

† Since the "Basic selling" rate is for State purchases only, we are now also quoting the "Basic commercial selling" rate.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective rate for all Indonesian exports to dollar area is basic rate plus 70 per cent of dollar certificate rate. Cost of imports is increased by full amount of dollar certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to all Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11.

foreign trade

JANUARY 10, 1953

The Changing South (page 2)

foreign trade

L. 13 OTTAWA, JANUARY 10, 1953 NO. 315

'ER . . . Dock workers d coffee from Guate- on a New Orleans wharf. Orleans ranks today as cond port in the U.S. and es over a billion dollars' of cargoes a year. See on the Southern States eir progress on page 2.

Published weekly by the Department of Trade and Commerce, under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

United States

The Changing South

The coming of new industries, plus the good market for agricultural products and high government spending, have sustained business activity in the South. This trend should continue throughout 1953.

NEW ORLEANS—The guns of the Civil War blew the South's agrarian economy, based on slaves and cotton, into history and signalled the long, slow march towards industrialism. Southerners knew, from bitter experience, that their economy could only be strengthened through emulating the industrial progress of the North. Following the twelve sere years of reconstruction, an effort was made to find local capital to develop local cotton mills. It is therefore not surprising to find between 1880 and 1900 the first evidence of modern Southern industry in cotton factories by rivers that curled through the hills of the Carolinas and Georgia. One may climb the wooden stairs of those great brick buildings today to the thud and whir of innumerable spinning and weaving machines.

By 1900 some 4·2 million spindles were in operation and giving employment to 97 thousand operators. Profits were high and, by 1915, the number of mills in the cotton states exceeded those in the rest of the country. At the same time there came into being cottonseed oil and cake mills.

Other Basic Industries

The South also began to look to the hardwoods and fast-growing Southern Pine of its forests, among the largest in the United States. Until 1875, the forests were logged mainly for local use. Then, with the exhaustion of more northern woods, larger sawmills moved south. Between 1880 and 1890, the quantity of wood taken from southern forests doubled and the South became of first importance as a supplier of soft-woods. This increasing supply of hard and softwoods gave birth to numerous woodworking industries. One of the most important is the furniture industry now centered around High Point, North Carolina.

The tobacco fields of the Carolinas and Virginia were drawn on to supply materials for tobacco manufacturers and eventually establish the South as a major source of cigarettes for the United States. In the Birmingham-Chattanooga area, as early as 1880, an antiquated iron industry was re-organized and extended to take full advantage of the local resources of bituminous coal and iron ore and become one of the major steel-producing centres of the United States.

Thus, it was that, before the First World War, some of the basic industries of the South had already been well established. Even then, hardly more than 15 per cent of the Southern population was gainfully employed in manufacturing. Indeed, as late as 1930, 72 per cent of the population of the East-South-Central States was rural.

Agriculture itself had also been undergoing a quiet change. Cotton production was moving westward to Texas which, by 1900, was producing twice the cotton of any other state. In the Eastern States farming became more diversified, with the production of citrus fruits in Florida and in the more northerly areas such products as peaches, sweet potatoes, peanuts and corn. More recently, the change has been extended to include the production of cattle to take advantage of the pasture areas which would otherwise be of little use.

Effect of War

Against this background of earlier established industries, a new phase of industrialization has developed during and since the last war and has carried the South to a point where income from industry in many states exceeds that from agriculture. The intensified needs of the war accelerated the use of other Southern resources, such as petroleum, gas, sulphur, salt, wood pulp and an increasing supply of labour drawn from gradually mechanized farms. These resources were converted to such products as nitro-chemicals, petroleum products, aluminum, synthetic rubber, steel, automotive machinery, paper and synthetic fibres.

These new industries, plus a strong demand for agricultural products, have raised Southern per capita income payments to individuals from a low \$344-\$464 a year in 1929 (or 51 to 68 per cent of the national average of \$680) to a new level of \$882-\$1,166 a year in 1949, or 66 to 88 per cent of the national income level of \$1,330. True, the average Southern income is still below the national, but there has been a rapid gain as newer and higher paying industries make their presence felt among the older and lesser paying ones—agriculture, textiles and lumber.

This wave of industrial growth has snowballed, if one can use that expression in the South, through the introduction of secondary goods manufacturing, assembly and distribution, attracted by the increasing incomes of the South. This is better understood when we realize that, compared with 1929, the people of the South are buying today 333 per cent more lumber, building materials and hardwoods, 268 per cent more house furnishings and appliances, 394 per cent more food, 265 per cent more clothing, and 303 per cent more automotive goods.

Government Spending Rises

Any possibility of a postwar recession disappeared with the Korean crisis and a rapid increase in government spending, directly and indirectly, for military purposes. It is estimated that, since the Korean War, the United States Government has granted \$4·2 billion in certificates of necessity to Southern plants, or 28 per cent of the national total of \$14·5 billion. Since 1950, some 1,600 new plants have been approved for accelerated amortization certificates. In addition, the opening of military establishments and the enlarging of existing ones in the South has given constant and strong support to consumer purchasing.

67323—1½

The importance of such direct and indirect government spending is indicated in the report of the Federal Reserve Bank of Atlanta, whose district comprises the Southern States of Alabama, Florida, Georgia, Louisiana, Mississippi and Tennessee. The Bank estimates that in this district in 1951 the income dollar was derived roughly from the following sources: government, 19·3 cents; manufacturing, 16·4 cents; agriculture, 11·4 cents; services, 9·2 cents. The remaining 36 cents came from a variety of sources, such as construction, transportation, mining, public utilities and finance. The power of government spending did much to modify in the South the tendency for reduced economic activity following 1950 which manifested itself in certain other areas of the United States. This counter influence was particularly noticeable during the first months of 1952 when, in spite of a tendency for prices of agricultural products to decline and employment to fall in two major Southern industries, textiles and lumber, the general economic level continued somewhat above the previous year.

The Long-Term View

Bearing in mind the degree to which government spending is making itself felt in the economy of the South, it is important to note that, on a national basis, such spending is likely to rise until it reaches a peak in 1953 of about $60 billion. Then, in all probability, it will remain steady through 1954, when it may taper off. Consequently, for the next twelve months economic conditions in the South will probably remain much the same as in 1952, with some modifications in keeping with the national picture.

From a long-term point of view, any sudden cessation of government spending would mean difficult adjustments in the South. However, it should not be forgotten that the present Southern economy is more diversified and therefore better able than ever before to meet any recession. Moreover, its economy is being developed by making full use of prolific natural resources and the products are those for which there is a foreseeable and steady demand.

These changes in the South have a direct significance for Canada because they tend to bolster the United States market as a whole for Canadian trade. They are also providing new and interesting markets for Canadian products in the South, particularly for woods and wood products and foodstuffs.

—Gerald A. Newman
Consul of Canada and Trade Commissioner

TANKER CARGO INCREASES

In the 21 years between 1929 and 1950, UN statisticians report, tankers cargo became more and more important in seaborne shipping. Back in '29, dry cargo amounted to 85 per cent of the total tonnage of goods transported. By 1937, only 78 per cent of the total tonnage was dry cargo. For the year 1950, tanker cargo reached 230 million metric tons, or 43 per cent of total tonnage shipped by sea, compared with only 15 per cent in 1929. Total tonnage carried by sea in 1950 was 530 million tons.

Goodwill Trade Mission Takes Off

—Capital Press Photo

Members of the Goodwill Trade Mission to Latin America photographed at Rockcliffe Airport on January 5. Top step, left to right: James S. Duncan, Chairman and President, Massey Harris Co., Ltd.; Rt. Hon. C. D. Howe, Minister of Trade and Commerce; D. W. Ambridge, President and General Manager, Abitibi Power and Paper Co., Ltd.; Alfred Savard, Area Trade Office for Latin America, Department of Trade and Commerce. Second step, left to right: K. F. Wadsworth, President and General Manager, Maple Leaf Milling Co., Ltd.; Clive B. Davidson, Secretary, Canadian Wheat Board. Third step, left to right: Jules Leger, Assistant Under-Secretary of State for External Affairs; Frank L. Marshall, Vice-President in charge of Export, House of Seagram; Wm. Frederick Bull, Deputy Minister of Trade and Commerce. Bottom step, left to right: Jean-Marie Bonin, General Manager, La Cooperative Agricole de Granby; Alex Gray, President, Gray-Bonney Tool Co., Ltd. Not visible is Maurice Schwarzmann, Department of Trade and Commerce.

Japan Introduces Pressed Barley

A new process, developed by the Japanese, turns out a pressed barley which combines well with rice. One result: increased sales of Canadian barley to Japan.

TOKYO—In the last three years, Canadian barley has been finding a new outlet. Faced with a rice shortage that seems likely to continue for some time, the Japanese have been buying barley to supplement their diet—and Canada has shared in this market. Sales in the first ten months of 1952 reached over 16 million bushels, valued at $23·8 million, and these sales should continue. Before the war, no Canadian barley moved to Japan.

The main reason for this trend towards barley is a new process, developed in Japan itself, for turning out a pressed or rolled barley which can be boiled and combined with rice. The process was in use before World War II but only about 350 thousand metric tons a year were sold because there was plenty of rice. Now the consumption of pressed barley has reached a million metric tons a year.

Manufacturing Process

The manufacturing process is relatively simple. The grain is first put through selectors to eliminate dust and other impurities, then skinned and refined by scourers and grinding machines. Next, the barley is polished and softened by steam, and pressed by rollers to 1·3 mm. thickness. Finally it goes through a cooler-dryer to reduce the water content below 14 per cent. The by-products yielded in the manufacturing process include bran for cattle and poultry feeding; broken barley, a raw material used in the manufacture of soybean paste, and seed germ for oil and medicine.

The finished product bears some resemblance to rolled oats but it is not flaky. The most popular type is manufactured from Japanese barley which is the first choice because it is whiter and has smaller grains, blending with rice without too obvious a difference in texture and colour. Canadian two-rowed, United States and Australian Chevallier barleys also are popular with Japanese barley processors, because the finished product blends well with rice.

Rural Consumption High

The demand for processed barley in Japan comes largely from the rural areas and from the labourer class in the cities. This segment of the Japanese population requires large quantities of boiled grain food with every meal. Other urban dwellers do not eat much processed barley

because they are generally able to stretch the present rice ration to meet their normal needs. Pressed barley is not often used separately as a boiled grain.

Production Increases

Barley has been a staple food for many years in Southeast Asia and the Far East. But until the Japanese method of pressing barley was evolved, its use as a boiled grain food was limited. The finished product complements rice because it provides the missing proteins. Equally important, it is relatively low-priced and yields important by-products in the manufacturing process. That is why progress of the Japanese barley processing industry is being watched closely by other rice-consuming countries in Asia. It may be that pressed barley of this Japanese type could be used to advantage elsewhere.

The productive capacity of the Japanese barley processing industry is now large enough to permit a substantial increase in output as and when the demand arises, either domestically or in adjacent export markets. There were 1,070 barley processing plants in 1951 with a capacity of over two million metric tons, compared with 611 plants with a capacity of 847 thousand metric tons in 1945. The industry feels that consumption of pressed barley will increase and that there may be a demand for the product from neighbouring markets, such as Okinawa and Korea. However, there is no indication yet that pressed barley will ultimately become an acceptable substitute for rice. Nevertheless, because of the present low price of pressed barley in comparison with rice, the demand may be expected to rise over the next five years.

—J. C. BRITTON
Commercial Secretary for Canada

Canadian businessmen interested in this pressed barley process may obtain fuller information and a limited number of samples from the Wheat and Grain Division, Department of Trade and Commerce. See also article in the September 13, 1952, issue of "Foreign Trade".

—The Editor

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Italy

The Trade in Cotton Textiles

During 1951, the cotton textile industry contributed 14 per cent of the total value of Italy's exports, with increased sales to European and African countries.

ROME—In the Italian textile industry during 1951 raw material imports continued scarce but exports of finished products remained fairly high. Total imports, including limited quantities of yarns, materials, and manufactures, amounted to 196,090 tons; total exports, to 87,726 tons. This was a drop of 9·6 per cent in imports and an increase of 10·1 per cent in shipments over 1950.

According to the Central Institute of Statistics, the value of imports and exports in 1951 was 146 and 142·8 billion lire respectively, as compared with 108·4 and 92·2 billion lire in 1950. Expenditures abroad increased by 34·7 per cent, but the total proceeds rose 54·9 per cent. The value of each ton increased 48·9 per cent (48·1 per cent for cotton in bales) for imports and 40·5 per cent for exports. It is noteworthy that the total value of exports was closer to that of imports than in any other postwar year, with the exception of 1948, when exports actually exceeded imports in value. The cotton industry accounted for 11 per cent of the total value of Italian imports (1,324 billion lire) and for 14 per cent of the value of exports (1,018 billion lire).

Exports and Imports

The fact that the value for purchase of cotton in bales increased more than for sales of cotton products is particularly noteworthy because the quality of the 1951 exports was superior to that of 1950. This increase in value varied with the groups of products exported. For example, the increase was 56 per cent for yarns but was much lower for fabrics and manufactures. In the unmercerized fabrics group (a very important part of the entire trade) increases equalled 38 per cent for unbleached materials, 43 per cent for bleached materials, 25 per cent for dyed materials, 30 per cent for printed materials and 28 per cent for coloured fabrics. Among mercerized products increases were 31 per cent for dyed materials and 36 per cent for printed materials. Other articles showed a considerable turnover but percentages were much lower—18 per cent for fancy materials, 25 per cent for velvets, 25 per cent for sewing cottons. Prices for the higher quality articles remained more stable.

Baled cotton imports in 1951 amounted to 186,045 tons, a monthly average of 15,500 tons. This was about 2,500 tons short of spinning mill requirements. Total imports dropped 8·4 per cent to 203,179 tons, as compared with 1950. Cotton waste and linters imports amounted to 7,156

and 1,927 tons respectively, as compared with a total of 10,921 tons in 1950. The imports of cotton wool and prepared cotton were negligible in 1951. In yarn, the turnover fell from 284 to 219 tons and for materials and manufactures (including sewing cotton) from 1,122 tons in 1950 to 628 in 1951.

Source of Imports

	1951		1950	
	Tons	%	Tons	%
United States	110,691	59·5	135,874	66·9
Egypt	29,800	16·0	28,184	13·9
Pakistan	15,279	8·2	7,746	3·8
Argentina	9,830	5·3	964	0·5
Mexico	7,332	4·0	10,349	5·1
Turkey	3,156	1·7	7,853	3·9
Iran	2,984	1·6	1,257	0·6
Brazil	1,508	0·8	1,828	0·9
India	1,163	0·6	1,990	1·4
Other countries	4,302	2·3	6,134	3·0
Totals	186,045	100	203,179	100

As the table indicates, the shrinkage of purchases from the dollar area was only partially compensated by imports from the sterling area (Pakistan, Egypt and Iran). Purchases from India and Turkey also were reduced but there was a surprisingly large increase (more than tenfold) of imports from Argentina.

Exports Analyzed

Semi-manufactures exported in 1951 amounted to 33,831 tons. Exports of finished products (excluding sewing thread) totalled 49,083 tons, an increase over 1950 of 1,919 tons and 12·2 per cent respectively. Exports of yarn went up until July, then fell off slightly. Exports of fabrics and manufactures remained more or less stable as compared with the previous year, but in the last quarter of 1951 they showed a decidedly favourable increase. Exports of waste fell to 4,812 tons from a total of 7,700 in 1950. These figures included limited quantities of raw cotton, prepared cotton and cotton wool.

Exports of Yarns

Two-thirds of the yarns were bought by Italian customers in Europe. Otherwise, the Union of South Africa, Hong Kong, Australia and, above all, Pakistan were the only four countries to purchase fairly high quantities. In Europe, France, as usual, was the most important customer, absorbing 21·8 per cent of yarn exported. Pakistan took 16·3 per cent, the United Kingdom 13·6, Western Germany 5·9, Norway 3·8, South Africa, 3·5, Belgium 3·3, Hong Kong 3·2, the Low Countries 2·9, Sweden 2·7, Australia 2·3 and Yugoslavia 2 per cent. The remainder, about 20 per cent, was absorbed by a very large number of countries. Canada's share was small.

Export increases in 1951, as compared with 1950, were due almost exclusively to the improvement in shipments to European countries, following the liberalization of trade within the framework of OEEC. The United Kingdom (which almost doubled its purchases), Western Germany, the Netherlands, Sweden and Switzerland were the largest importers of

Italian yarns in 1951 as compared with the previous year. Conversely, other members of the European Payments Union, such as Austria, Denmark, Norway and Turkey, reduced purchases and exports to Yugoslavia also fell.

Outside Europe, Australia and Hong Kong, which in previous years had purchased negligible quantities, became the largest outlets. Pakistan, on the other hand, bought almost 17 per cent less yarn than in 1950.

Materials and Manufactures

Exports of materials and manufactures were, as usual, very much broken up. Europe took slightly more than half of the whole quota; the remainder went to many parts of the world. France (21·8 per cent of the total) was the most important customer. Next came the United Kingdom (14·2 per cent), Australia (6·9 per cent), British Equatorial Africa (5 per cent), Turkey (4·5 per cent), South Africa (3·2 per cent) and, in quotas between 3 and 2 per cent, the following: Iraq, French Morocco, Egypt, Norway, U.S., British Malaya, the Belgian Congo.

The larger volume of exports in this group of textiles in 1951 arose mainly from the keener demand of certain African countries, including French Morocco, the Belgian Congo, South Africa, British Equatorial Africa, the former Italian colonies and Australia. In Europe, the larger sales to many EPU countries (Turkey, the United Kingdom, Sweden, Denmark, Belgium, Greece, the Netherlands) made up for the marked shrinkage in exports to France, caused by the renewal of French customs duties. These exports to France have dropped to about two-thirds of the 1950 volume.

Exports of yarn were confined mainly to unbleached articles (89·6 per cent of the total volume, including mercerized goods). Unbleached materials, mercerized or not, (28·9 per cent) led the group of finished products. However, despite the increase in total exports as compared with 1950, unbleached materials fell from 15,401 to 13,710 tons. Consequently, the increase in the volume of sales was mainly in processed materials (dyed, bleached, printed) and other manufactures (especially velvets and plushes). Unbleached materials for the most part were exported to European countries (mainly France, the United Kingdom, Norway and Switzerland). All the other types of manufactures and materials were absorbed mainly by non-European markets.

—Shirley G. Macdonald
Commercial Counsellor for Canada

COARSE GRAIN

Canada's record wheat corp in this crop year was accompanied by an excellent coarse grains harvest. Combined exports of oats, barley, rye and flaxseed from August to October of the current crop year reached 54·7 million bushels, an increase of 37 per cent over exports for the first quarter of 1951-52. Barley led the parade, with shipments of 35·4 million bushels, an increase of 78 per cent over the first quarter of 1951-52. Major barley buyers were Germany, Japan, the United States, and Belgium—in that order. Seven other countries purchased smaller quantities.

FAIRS and EXHIBITIONS

The B.I.F. in '53

Canadian businessmen interested in finding British products suited to their particular requirements should jot down a significant date—April 27. That day the 32nd British Industries Fair will open simultaneously at London and at Castle Bromwich, Birmingham. Some 3,000 manufacturers, representing more than 80 industries, will be exhibiting and the displays will cover over a million square feet.

Special attractions will include a "sectional city", composed of prefabricated buildings designed for the export market. The nautical-minded will be attracted to a new section showing sea-going yachts, cabin cruisers, and racing hydroplanes. Outstanding in the London Fair will be the textile and clothing exhibits. At Birmingham, visitors will see the world's largest moving drag-line.

Many exhibitors, keen to increase their sales abroad and particularly to Canada, will be quoting lower prices and promising more speedy delivery. The dates again—April 27 to May 3.

Presses Will Roll

Radically new printing processes will be demonstrated at the New England Printing Fair in Boston, January 13, 14 and 15, in the First Corps Cadet Armory (opposite the Statler Hotel). The Fair will be the outstanding attraction during the Seventh Annual Printing and Publishing Week of New England, January 12-17, and is sponsored by some 14 Massachusetts printing groups.

Letterpress, offset lithography and the silk screen process will be featured in three institutional exhibits, each occupying 400 square feet. Demonstrations of these three processes and of uses of the finished products will be given. Fifty other booths will display the specialties of a number of printing firms.

Jubilee at Utrecht

Two special events will mark this year's Industries Fair at Utrecht, Netherlands, from March 17-26. First, it will be the 60th Fair and second, it will see the opening of the great new exhibition hall. Total exhibit space will reach about 750 thousand square feet. Canada will be participating for the second time since the war with an official display.

67323—2½

Products of about 4,000 firms will be grouped into 45 commodity sections. The textile manufacturers in the Benelux countries expect to have a spectacular exhibit of cotton, linen and rayon products. Electro-technical products, transport materials, construction machinery, etc., will also be featured. Normally the Utrecht Fair attracts between 150 and 200 thousand visitors, with over sixty countries represented.

Exhibition at Hong Kong

When the Annual Exhibition of Hong Kong Products, sponsored by the local Chinese Manufacturers' Union, made its debut before the last war, it had a retail character. Primarily, it was intended to encourage the colony's fledgling industries by inducing residents to buy their products. Exhibitors still make retail sales direct from their stands.

This year's exhibition, held from December 15 to January 4, showed the influence of a new trend. Now Hong Kong's expanding industries want other markets, particularly in the United Kingdom and in Southeast Asia. The exhibition therefore strives to attract overseas buyers.

On display were the products of 156 different industries. Visitors crowded to examine the locally-made Coronation souvenirs, all based on designs approved by the official Coronation Souvenirs Sub-committee. Other exhibitors displayed textiles, glassware, rubber products, plastic goods, foodstuffs, cosmetics, grass and mat products, etc.

United Kingdom

Token Imports for 1952

THE Token Import Scheme covering imports into the United Kingdom of certain specified Canadian commodities will continue in 1953, it was announced in Ottawa recently. All quotas will remain the same as last year—30 per cent by value of each manufacturer's average annual trade with the U.K., for the commodity covered, in the years 1936 to 1938.

Two Concessions Made

Canadian exporters of women's hosiery have been granted one concession. They will be allowed to ship to British importers nylon stockings up to one-third of their quota for women's full-fashioned hosiery. One other modification affects apparel manufacturers. They will be permitted to use one-seventh of certain apparel and lingerie quotas to export goods trimmed with lace or lace net. Manufacturers affected by these changes may obtain full details from the Export Division, Department of Trade and Commerce, Ottawa.

Vouchers for token shipments under the 1952 scheme will be accepted up to the end of February 1953, on the understanding that import licences against them would cease to be valid on March 31, 1953. This represents an extension of one month as compared with 1952.

Begun in 1946

The Token Import Scheme was inaugurated in 1946. It was designed to enable Canadian firms whose goods had been largely excluded from the U.K. market to keep their products and brand names before British importers and the British consumer by import licensing. It included about 62 commodities which Canada was able to export, such as rubber footwear, oats, canned foods, films, canned lobster, cosmetics and toilet preparations, electric appliances, etc. In 1948, leather footwear was added.

Only exporters who had previously shipped to the United Kingdom were eligible to participate. The original quota was 20 per cent of 1936-38 shipments. This remained unchanged until 1951, when it was raised to 40 per cent. In 1952, it was reduced to 30 per cent.

The value of goods which Canadians could ship under the 1952 quota totalled about $5·6 million, compared with $7·5 million in 1951. In the last few years, the British purchase tax and competition from other countries have made sales under the scheme more difficult. In the past year about 266 firms participated, as against only 118 in 1946 when the scheme got under way.

—Export Division
Department of Trade and Commerce

Trade in the Maldives

On January first, the tiny Maldive Islands in the Indian Ocean became an independent republic under British protection. Here is a brief account of their history and commerce.

COLOMBO—A traveller coming ashore from his ship in Colombo usually notices a number of large, picturesque sailing craft at moorings near the main passenger jetty. These vessels, which look somewhat like Arab or East African dhows, probably come from the Maldive Islands and are the principal physical connection between these islands and Ceylon. Modern ships and aircraft also link the two territories.

A Cartographer's Splutter

The Maldive Islands, described as a "cartographer's splutter in the Indian Ocean", are little known. Yet they are an interesting and distinctive geographical, racial and political community. They consist of a series of coral atolls covering a substantial area in the Indian Ocean some 400 miles southwest of Colombo. The number of the islands themselves is legion but for administrative purposes there are 17 atolls.

There are few reliable records of the early settlement of these islands. It is reasonably apparent, however, that the earliest settlers were of Ceylonese stock, although some of them may have come from India. In course of time the islands have produced their own type and their own language and customs. However, their habits as well as their trade and political tendencies have continued to resemble those of their neighbours in Ceylon.

Political History

In early days, the islands and the people were governed by Sultans or other autocratic rulers. When European governments were intent on colonial expansion in the East they came under the control of Portugal and later of Holland. When Great Britain took over the government of Ceylon from Holland, the Maldivian authorities concluded an agreement with the Crown whereby the British Government undertook to protect the Islands from attack and to conduct their affairs with foreign powers. Domestic matters were left completely to the discretion and the management of the people and their appointed representatives. This agreement remained in force for 70 years, to the mutual satisfaction of both parties.

The Maldives have another and unusual claim to individuality. As an offshoot of Ceylon they were originally adherents of the Buddhist faith. However, through visits of some of the islanders (presumably

members of some of the leading families) to Middle Eastern countries, the population was converted to Islam. Since the 12th century it has been a predominantly Moslem community.

On January 1, 1953, the Maldive Islands became a republic under British protection. In practice, the change will be of small consequence because there has been no ruling Sultan in power for some years; the administration has been headed by a Prime Minister. In assuming this new status, the islands will not be weakening in any way their traditional relationship with the Crown nor with the present independent government of Ceylon. Formal agreements confirming the new *status quo* were signed in Male (the Maldivian capital) by United Kingdom and Ceylon Government representatives early this month.

Employment and Trade

The 1946 census of the Maldives showed a total of 82,068 people distributed fairly evenly among the 17 atolls. Principal occupation is fishing because the surrounding seas provide an extensive and valuable harvest. Much of the fish is exported to Ceylon as Maldive fish and provides a large part of the islands' total income. The coconut industry, field husbandry, matting, lace, lacquer work, shells and carpentry are the other sources of income. The Government has, in recent years, established numerous schools and hospitals and is carrying out a progressive policy of education and social welfare.

The Maldives cannot be regarded as a trading community of any importance except as a tributary of Ceylon. On occasion, the islands exchange small quantities of exports and imports with India, but the great bulk of external business is carried on with Ceylon and in particular with business connections in Colombo. Exports are made up largely of Maldive fish; principal imports are cereals in various forms and textiles. Trade with Ceylon in recent years has totalled some Rs.7,000,000/– to Rs.8,000,000/–, with exports averaging about twice the value of imports. Because Ceylon is a traditional importer of cereals and textiles, sales of such goods to the Maldives represent a re-export trade which, for textiles, is concerned largely with Indian products and, for cereals, with rice grown in Burma or other countries.

Trade Control

A substantial proportion of the import and export trade is controlled by the Maldive National Trading Corporation, a government-sponsored business organization which maintains a head office in Male, the capital, and a branch in Colombo. Operating on an import and wholesale basis, it supplies the islands' varied requirements to distributors and dealers throughout the area.

The present administration of this remote area provides an object lesson for others. Isolated and with limited resources, these islanders have nevertheless created a solid and progressive community with modern social services and trading facilities. They are an asset to Commonwealth interests in Southeast Asia.

—Paul Sykes
Canadian Government Trade Commissioner

COMMODITY NOTES

BRAZIL

Rayon, Acetate Fibres—Brazil boosted its production of rayon and acetate fibres to 13,400 metric tons during the first six months of 1952, a 20 per cent increase over the previous six months. Production of high tenacity tire cord has received special emphasis, with plans for an eventual output of 12 thousand metric tons a year—enough to provide for all of the country's needs in tire manufacture and also permit some exports—Rio de Janeiro, December 18.

CUBA

Molasses—The Molasses Selling Committee of the Cuban Sugar Stabilization Institute has concluded sales contracts totalling 230 million gallons of molasses at a price of seven cents a gallon, base 52 per cent total sugar content, export tax excluded, for shipment over the next few months until April 30, 1953. No less than 48·4 million gallons will be used for cattle feeds, and a rebate of 2½ cents per gallon will be allowed on molasses destined for alcohol production if it is shipped before February 1, 1953, or 2¼ cents if shipped after that date—Havana, December 12.

Sugar—The size of the 1953 sugar crop has been officially set at a maximum of five million Spanish long tons, compared with the record-breaking crop this year of 7,011,498 long tons. Difficulties in disposing of the '52 bumper crop prompted the Government to set aside a substantial portion (1,750,000 tons) for disposal over the next five years and to reduce the size of the next crop—Havana, December 12.

GERMANY

Electrical Machinery—The Central Association of the Electro-Technical Industry in Frankfurt has announced that the value of electrical machinery exports in the first nine months of 1952 reached DM800 million, a 7 per cent increase over 1951. The electro-technical industry in the Federal Republic and West Berlin is now responsible for a greater share of export earnings than prewar. In spite of the record value, Germany, once the leading exporter of these products, now ranks third and produces 11 per cent of the world's exports in this field—Bonn, December 10.

NETHERLANDS

Miniature Cactus—Exports of miniature cacti will be speeded up by the development of a special matrix which hardens quickly and permits transport in safety. It also overcomes customs difficulties encountered in some countries when plants are transported with soil on their roots. Another feature is that it makes possible the wearing of "living" boutonnieres. The producers can supply all sizes from postage stamp upward and all shapes and colours. A few drops of water every week or fourteen days is all the attention plants in the new matrix require—The Hague, December 20.

NORWAY

Staple Fibre—Norway is now the largest supplier of staple fibre to the United States. During the first six months of 1952, the U.S. bought 17 per cent of her staple fibre from Norway and about 13 per cent from Great Britain. Norwegian exports to the U.S. totalled 3,700 tons with a value of almost equal to that of Norway's total exports of staple fibre during 1951—Oslo, December 8.

Niobium—Norway will soon be able to produce the mineral called "soevitt," from which niobium may be extracted. Niobium is a very rare metal in great demand. Surveys show the areas at Soeve (from which the name of the mineral is derived) in the south of Norway to be very rich in deposits. Operations will be on a small scale until the possibilities for profitable production can be estimated—Oslo, December 8.

PAKISTAN

Freight Cars—Orders have been placed by the Pakistan Railways for 7,423 freight cars from France (3,256), Belgium (1,986), United Kingdom (909), Italy (622), West Germany (466), Japan (154), and Holland (30). France has already delivered 1,300 freight cars for the Eastern Bengal Railways, which will be used to carry jute, and 366 freight cars have been delivered to the North Western Railways in West Pakistan by Japan and West Germany—Karachi, December 10.

SWEDEN

Robot Clock—A new robot clock for remote control of electrical circuits, said to be the first of its kind in the world to provide a choice of timings over a period of more than 24 hours, will soon be marketed by the Co-operative Union. It will turn a switch off and on 50 times at specified hours for an entire week—Stockholm, December 9.

Cement—Exports of cement in 1952 are estimated at more than 300 thousand tons. Turkey, the largest buyer, took 65 thousand tons; French Morocco and Saudi Arabia, 30 thousand; Norway, 25 thousand and Madagascar, 20 thousand tons. A new agreement was recently signed with Brazil providing for increased cement exports in 1953—Stockholm, December 9.

Topdressing from the Air

By this new method, New Zealand is reclaiming hill country pastures needed to expand its vital livestock industry. Some Canadian-made "Beavers" are being used on this project.

WELLINGTON—The maxim, "Necessity is the mother of invention" aptly describes the development of aerial topdressing and grass seed sowing in New Zealand. This country needs good pasture lands for its vital livestock farming industry (95 per cent of 1950 exports were of animal origin), and the use of aircraft for topdressing and seeding has meant faster and more economical improvement of eroded hill country pastures. Over ten million acres of responsive hill country can now be topdressed, it is estimated, and as a result it should be possible to increase the sheep population by 50 per cent.

Improving Hill Pastures

New Zealand is largely a mountainous country. Less than one-quarter of its land surface is below the 650-foot contour and the flat land is a relatively small proportion of the total. Much of the excess run-off and erosion results from inadequate cover provided by poor pastures. Most hill country soils respond to phosphatic fertilizers, basic slag, lime and nitrogen, but the problem has been to find an economic way to apply fertilizers over a large area of rough, hilly country and to introduce legumes (clover) to remedy the nitrogen deficiency.

Topdressing with fertilizers alone will not automatically increase production. It must be carried out on a soil and a pasture which will respond. It must be accompanied by the introduction or stimulation of desirable clover species in the sward and by adequate sub-division and efficient grazing management to control the extra growth produced. If desirable clovers are lacking in the hill pastures, they should be introduced by surface seeding when the topdressing is being done.

Methods of Topdressing

The oldest method of distributing fertilizers on land too steep or too broken for machines is by hand. It is a slow and expensive method; calls for more labour than is available nowadays and makes for uneven distribution. A New Zealand research worker, E. A. Gibson, investigated the cost of distributing fertilizer on the farm and found that within a radius of up to five miles from the farm gate, an aircraft was 160 times more efficient than a pack-man, 48 times more efficient than a pack-horse, and 24 times more efficient than a sledge. Tests in 1949 showed that the cost

This Canadian Beaver aircraft is taking on fertilizer from a specially constructed loader—the operation takes only ten seconds—before making another flight to topdress eroded soil in New Zealand's hill country.

of operating an aircraft of 400-500 lb. capacity in spreading superphosphate was about twopence an acre (receiving two cwt. of fertilizer) per mile of radius of action from the airstrip. (This cost, of course, has since risen considerably.) By comparison, cost per acre was 2/10½d. when sledge transport was used, 4/10d. with a pack-horse, and 13/6 by man-power. Rapid loading is one reason the aircraft operation is so much cheaper.

Tests have also been made with blower type topdressers. The blower-type equipment consists of machines which blow finely divided material into the air so that it is dispersed by the wind. Reasonably satisfactory spreads have been obtained by this method when finely ground materials were used and the wind was right. Costs of application are considerably lower than for hand topdressing and less labour is needed.

Aircraft Trials

Trials using light aircraft fertilizer topdressing machines were initiated soon after the war. In 1947 the Soil Conservation and Rivers Control Council became interested in the project and, with the co-operation of the Royal New Zealand Air Force, arranged preliminary trials in 1948. For these trials they used a modified Grumman *Avenger* torpedo bomber, fitted with a detachable fertilizer hopper capable of carrying about a ton of fertilizer. These trials consisted of several runs across the concrete runways of an aerodrome at various heights. The spread of the fertilizer was judged by sweeping up the material on the runways, with the 10 square yard hexagonal blocks of the runways being used as sampling units.

It was found that granular material in the form of pellets which would pass a ⅜ inch sieve but be retained on a ¼ inch sieve was essential for efficient spreading. A diameter of two mm. was best. D. A. Campbell of the Soil Conservation and Rivers Control Council estimated that an aircraft flying 400 feet above the ground and making parallel flights 90 feet apart would apply 2 to 2½ cwt. of fertilizer per acre.

Area Covered

A larger trial was carried out in the field in 1949. This was organized by the Soil Conservation and Rivers Control Council, with the Royal New Zealand Air Force co-operating in the work. An area of 1,100 acres of steep hill-land was topdressed, the Council paying for the work and the farmers paying for the fertilizer. The 1,100 acres were satisfactorily topdressed with 137 tons of fertilizers in 57 hours flying time. The trials proved the aerial topdressing was practicable and reasonably accurate even on the steepest hill country. It was found that, generally speaking, for a single-engined aircraft, dispersal is proportionate to height up to approximately 600 feet. Above this height, any further increase in width is insignificant. The greatest measured width of strip was 85 yards for 550 feet of altitude, and the smallest width 45 yards for an altitude of about 200 feet.

Measurements were also made of the weight of superphosphate per acre deposited at uniform distances from one side to the other of the strip, at right angles to the direction of the flight. Peak weights per acre were recorded in the centre of each strip for each flight at altitudes of 200, 400 and 600 feet. It was apparent that peak weights per acre are in inverse proportion to height. The need for an average topdressing of about two cwt. superphosphate per acre pegged the satisfactory working altitude at between 400 and 600 feet.

An Industry Results

These successful trials stimulated the interest of private aircraft operators and the aerial topdressing industry has grown rapidly. There are now over 100 aircraft operated by 24 firms and employing 600 persons engaged in the various branches of aerial farm work. In 1950, nearly 64½ million lb. of fertilizer were dropped, treating about 280 thousand acres and requiring 10,712 flying hours or about 160,680 flights. In 1951 these figures rose to 168½ million lb. of fertilizer treating 687,531 acres, and 24,560 hours flying time or about 368,400 flights. The figures for flights are approximations based on the average of four minutes per flight. In addition, rabbit poisoning, crop spraying with weedicides and pesticides, and dropping of supplies were carried out by aircraft. The firms engaged in this work have formed an association known as the Aviation Industry Association of New Zealand. They have shown great ingenuity and enterprise in improving techniques and developing suitable equipment for commercial aerial topdressing.

The aircraft used by this group are mostly *Tiger Moths* carrying three cwt. of fertilizer, and some Canadian-made *Beavers*. The availability of the *Tiger Moth* and its simplicity and cheapness made it the obvious choice for starting this type of work, but there is ample scope

for the designing of a special aircraft for the industry. The *Beaver* is doing good work and no doubt will be further improved as experience is gained.

A demonstration of high speed aerial topdressing, arranged by the Aviation Industry Association, was held near Wellington in October. A Canadian-built *Beaver* aircraft carrying 1,500 lb. of fertilizer and operated by a firm known as Rural Aviation Limited was used and spread 60 tons of superphosphate over 600 acres in a few hours. The mobile loader employed was designed by Rural Aviation. It consisted of a four-wheel drive truck chassis mounted with a hydraulically operated boom. At the end of the boom there is a large hopper extending over the front of the vehicle. This hopper is shaped like a funnel and will hold about 1,800 lb. of fertilizer. The aircraft taxis up, the loader moves into place, and the machine is fully loaded in 12 to 18 seconds. The time required to load the aircraft, take off, spread the load three miles away and return ready again for loading was slightly over five minutes. The airplane spends less than a minute on the ground each time it returns for a load.

Last year the *Beaver* flew about 1,200 hours, dropping seven to eight tons an hour, and distributed 8,400 to 9,000 tons during the year. The two *Beavers* owned by Rural Aviation Limited are able to operate on approximately 150 days of the year, achieving each day an average of 90 take-offs. The machine can carry 1,800 lb. of payload.

A *Tiger Moth* aircraft equipped for spraying weed-killer also gave a demonstration. The machine carries a 46-gallon tank of hormone liquid which is atomized through jets in a boom fixed under the wings. The *Moth* is able to fly quite low and spreads a fine spray with good density on the ground.

Costs Discussed

The cost of aerial topdressing was proved during the 1949 trials to be competitive with normal topdressing costs on difficult hill country and to vary from 6/–d. to 15/3d. an acre for the application of two cwt. of fertilizer. Since that time, the better loading equipment designed and the improved flying techniques devised have cut down operating costs. Rural Aviation Limited's charges for the *Beaver* aircraft are £4 per ton for a radius of three miles from the airstrip and £1 extra per ton for every additional mile. Five miles is considered the economic operating limit. These charges work out at 8/–d. per acre for the three-mile radius, illustrating the advances made in reducing costs through perfecting equipment and techniques. When the rise in costs of labour and equipment since 1949 are taken into account, these operating costs become even more significant.

Technically, the operating time appears to have been reduced as far as possible. Any further speeding-up must come from improved aircraft performance. Small aircraft are best for small-scale operations where manoeuverability around hillsides is necessary and small landing strips are used. They are, however, less suitable for spreading extensive areas of flatter land at some distance from the airstrips or the source of materials. The use of larger aircraft capable of carrying up to six tons of fertilizer for the more extensive operations is now being studied.

—Roy W. Blake
Commercial Secretary (Agriculture) for Canada

GENERAL NOTES

CHILE

Japanese Legation Will Re-open—Authority of Congress is being sought, it is reported, to re-establish the Japanese Legation in Chile and, at the same time, to re-open the Chilean Legation in Tokyo. Diplomatic relations between the two countries have been suspended since 1942—Santiago, December 15.

CUBA

New Trade Record—The overall trade of Cuba (imports and exports) totalled $1,406,400,000 in 1951, or a 21 per cent ($249,300,000) increase over 1950. This figure also constituted an all-time record in the history of the Island, surpassing the previous mark set in the sugar-boom year of 1920, when trade reached $1,351 million. However, 1920 showed a more favourable balance of trade than did 1951, comparative exports in both years being, respectively, 58·8 per çent and 54·5 per cent, and imports 41·2 per cent and 45·5 per cent of the total—Havana, December 12.

GERMANY

Overseas Bank Resumes Activity—The Bank Deutscher Laender has recently announced that the German Overseas Bank, Berlin, has been authorized to resume activities in the Federal Republic, with operating headquarters in Hamburg. It will be financed and provided with trade connections by the successors of the Deutsche Bank. The Overseas Bank will now be in a similar position to the German-South American Bank, fostered by the Dresdner Bank, which during the past two years has been able to reclaim its former business connections— Bonn, December 10.

ITALY

Power by Gas—The recent important discoveries of methane gas in Italy have resulted in the Mirafiore factory of the Fiat Company substituting this gas for coal and fuel oils. This is the largest industrial organization to turn to methane, but about a thousand other firms are now using it and an equal number have arranged to employ this gas in place of imported fuels—Rome, December 18.

MALAYA

Trade Balance—Malaya's favourable trade balance in January-September 1952 amounted to Malayan \$80 million, compared with a favourable balance of Malayan \$1,160 million during the same period in 1951. Preliminary statistics for November indicate no change in the trade balance for the eleven months of 1952. Lower prices for rubber and a decline in the volume of exports are the chief reasons for the change in the balance of trade in 1952 compared with 1951. During the nine months period, imports from Canada totalled Malayan \$30·9 million, compared with Malayan \$22·3 million during January-September 1951. Exports to Canada dropped considerably—from Malayan \$124·5 million in the first nine months of 1951 to Malayan \$48·3 million in the corresponding period in 1952—Singapore, December 5.

PAKISTAN

Fertilizer Factory—The Government of Pakistan has recently signed an agreement with the Technical Co-operation Administration of the United States, whereby the U.S. will assist Pakistan to establish a fertilizer plant valued at approximately \$16·5 million. The Pakistan Industrial Development Corporation, a Crown company, will handle the erection and administration of the plant. Because of the importance of fertilizers for scientific development of agriculture, the main occupation of over 80 per cent of the people, the country's resources were surveyed and a detailed report made on the possibility of setting up a synthetic fertilizer plant. A process has been developed through which a large quantity of ammonium sulphate can be produced from Pakistan's resources of coal and gypsum. The Union Chimique Belge, a well-known Brussels firm, has been appointed as technical consultant for the project—Karachi, December 13.

SINGAPORE

New Spinning Mill—A million dollar Malayan cotton spinning mill, financed by Chinese interests from Singapore and Hong Kong in conjunction with the Colonial Development Corporation, is about to begin operations. Nearly 100 skilled spinners and technicians have been brought from Hong Kong to install and operate 4,000 spindles. Initially, second-hand Japanese and Hong Kong machinery will be used. If the enterprise succeeds, 6,000 new spindles will be added. In full operation, the mill should produce a minimum of 500 bales of yarn a month for export, mainly to Indonesia—Singapore, December 5.

SOUTH AFRICA

Capital in Industry—At the end of 1950, private and corporate investments in industry totalled £310·2 million, consisting of fixed property, £132·8 million; plant and equipment, £176 million; and stores, £2·4 million. Net increment in investment capital during the twelve months was £41 million, as against £60 million in 1949. The lower figure was the result of rigorous "writing down" of property and equipment values—Cape Town, December 1.

Aluminum on the Gold Coast

With its reserves of bauxite and power potential, the Gold Coast may see a huge aluminum development in the next few years, in which a Canadian company will share.

LONDON—A project first conceived some thirty years ago, the production of aluminum on the Gold Coast, has moved a step nearer fruition. Late in November the United Kingdom Government published a White Paper outlining the scheme and the various stages in which it might be accomplished. Canadians are taking special note because Aluminium Ltd., a Canadian company, will invest heavily in it.

Financing the Scheme

This Volta River aluminum development has taken on new importance as consumption of aluminum in sterling area countries has risen. In 1951, these countries consumed 14 per cent of world output of aluminum but produced only 2 per cent. Successful completion of this scheme, says the White Paper, would guarantee British industry additional sterling area supplies of aluminum at competitive prices to meet "growing requirements for which it would be unwise to rely on other sources". In point of fact, it is estimated that by 1960 half of the entire sterling area's anticipated additional requirements could be met from this source.

Sharing in the costs would be the United Kingdom Government, the Gold Coast Government, the British Aluminum Company, and Aluminium Ltd. of Canada. The private companies would be primarily responsible for the production of aluminum and the two governments for the hydro-electric scheme and the public works services.

To the United Kingdom would fall the major responsibility for financing the power project, which might cost about £54 million. The Gold Coast Government would probably contribute at least £8 million of this.

Stages of Construction

- First step would be construction of a power station, the cost of which is provisionally estimated at £54 million. Power would become available some five to seven years after work begins.

- Step two would be the erection of an aluminum smelter, with an initial capacity of 80 thousand tons and an ultimate capacity of 210 thousand tons a year, to be reached within twenty years. Bauxite would be obtained from local sources. The Gold Coast is said to have reserves of some 200 million tons.

- Third part of the scheme would be the construction of a new port about twenty miles east of Accra, to cost £11 million. Other public works are planned at an estimated cost of £15 million.

Total cost of the whole project would be about £100 million for aluminum production at the initial rate of 80 thousand tons a year and £144 million at the maximum rate. However, says the Paper, there is a risk "of exceeding the estimates by a substantial margin".

First Moves

One of the first moves towards realizing the project would be the creation of a Volta River Authority to undertake the construction of the dam and the hydro-electric works. The development of the aluminum smelter and the bauxite mines would be the responsibility of a smelter company. Equity in this would be provided by the aluminum companies, except for a minority in Gold Coast hands.

The smelter company would be under an obligation for thirty years from initial production to offer buyers in the United Kingdom not less than 75 per cent of the metal produced. This would mean that British consumers should be able to count on at least 60 thousand tons a year at first and on a minimum of 157 thousand tons a year when full capacity is reached.

U.K. Imports

In 1951 the United Kingdom imported 176 thousand tons of virgin aluminum, of which Canada supplied 172 thousand tons costing £18 million. Production in the United Kingdom is about 30 thousand tons a year.

The White Paper asserts that the United Kingdom Government believes the Volta River scheme to be soundly conceived. It adds, however, that it is such a huge project that it should not be embarked upon without every practical assurance that it can be carried through. It is therefore proposed that (if the Gold Coast Government and the two companies agree) a Preparatory Commission be set up at once to follow up the work already done. This Commission would be instructed to report quickly, so that final decisions could be taken as soon as possible.

—R. Campbell Smith
Commercial Secretary for Canada

TRANSPORTATION

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

France Expands Rice Production

PARIS—Rice cultivation in France began in earnest as a result of the wartime blockade and has made considerable headway during the last ten years, aided by supply and exchange difficulties. The November estimate of the French Ministry of Agriculture places the current rice crop at over 80 thousand metric tons, compared with 70 thousand last year. The harvest is three-quarters finished and was brought in under excellent conditions. The area seeded to rice this year was about 20 thousand hectares, 11 per cent above that of last season.

Little rice was grown in France before the war. Some 600 thousand tons a year were imported, mainly from Indo-China, and of this about 100 thousand tons were for human consumption. During the war a small group of farmers in the Camargue district, which is the delta of the Rhone River, near Marseilles, began to grow rice in co-operation with technicians from the Ministry of Agriculture. Since then the area planted to rice has gradually expanded from 500 hectares in 1945 to 2,000 in 1947, over 5,000 in 1948, over 10 thousand in 1949 and to 18 thousand in 1951.

Imports Decline

The current production of over 80 thousand metric tons will just about cover the quantity needed for human consumption and, in time, imports should fall off. The table of imports for the past three years shows the sharp decline from prewar level. However, the figures do not yet reflect the increased production.

French Rice Imports

	Foreign Countries (metric	French Colonies tons)
1949	21,466	23,714
1950	63,909	19,884
1951	42,432	36,485
1952 (8 months)	11,710	5,213

The chief foreign supplier is Italy, followed by Mexico with much smaller quantities. The bulk of imports from overseas territories come from Indo-China and Madagascar.

The Camargue region, before rice was introduced, was little cultivated because of the high saline content of the soil. However, prolonged flooding during the growing season has lessened this salinity. The region has prospered on the receipts from the rice crop and from the mills and other establishments set up for marketing it. The Ministry of Agriculture is now surveying other regions in the south to see if rice can profitably replace present crops.

A government decree published on November 18 establishes the ceiling prices for the sale of French-grown "paddy" rice of the 1952 crop at 5,700 francs per quintal, as against 5,500 francs plus a bonus of 1,000

francs for the 1951 crop. Other prices established at the same time (1951 prices in brackets) are: 6,578·30 francs per quintal for sales by the warehouses (6,159) and 12,300 francs per quintal for sales to wholesalers (11,935), for all types of rice, either home-grown or imported.

—Vivian F. Wightman
Office of the Commercial Counsellor

TRADE AND TARIFF REGULATIONS

TRINIDAD

Foot and Mouth Prohibition Revoked—The Government of Trinidad revoked on December 30 the Order of April 15, 1952, which had prohibited imports into the Colony of cloven-footed animals, carcasses of such animals, fodder, litter, and dung, from the provinces of Alberta, Saskatchewan, and Manitoba, because of the outbreak of foot and mouth disease in Saskatchewan.

Imports must be accompanied by the usual government veterinary inspection certificate. This certificate, when accompanying imports from other Canadian provinces, need no longer show that the shipments originated outside Alberta, Saskatchewan, and Manitoba.

Industries Declared "Pioneer Industries"—The Trinidad *Royal Gazette* of December 11 announced that the following additional industries have been declared "pioneer industries" under the terms of the Aid to Pioneer Industries Ordinance, 1950:

The processing and refining of crude ores (and in particular barytes).

The manufacture of buttons, buckles and ornaments.

The manufacture of vitaminized food from bananas and other fruits.

The manufacture of solid carbon dioxide.

The manufacture of toilet rolls.

Briefly, the Ordinance provides that any manufacturer designated by order to be a pioneer manufacturer may import free of customs duty, for a period of five years, the following goods: building materials, tools, plant machinery, pipes, pumps, conveyor belts, or other appliances and materials necessary for and used in the construction, alteration and extension of the factory or for equipping the factory or any extension thereof for the manufacture and preparation for sale by the pioneer manufacturer of the relevant pioneer product or products.

The Ordinance also provides for relief from income tax for a period of five years to any manufacturer declared by order to be a pioneer manufacturer.

Foreign Trade Service Abroad

† Indicates a change since previous publication.

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina Paraguay Uruguay	C. S. Bissett, Commercial Counsellor W. B. McCullough, Agricultural Secretary	Canadian Embassy, Bartolome Mitre 478, Buenos Aires	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 33-8237
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	C. M. Croft, Commercial Counsellor for Canada	City Mutual Life Building, 60 Hunter Street, Sydney	*Mail:* P.O. Box 3952 G.P.O. *Cable:* Canadian *Tel.:* BW 9351
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada and Agricultural Secretary	83 William Street, Melbourne	*Mail:* (City Address) *Cable:* Canadian *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	W. Gibson-Smith, Canadian Government Trade Commissioner	Forescom Building, Leopoldville	*Mail:* Boîte Postale 373 *Cable:* Canadian *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Secretary	Canadian Embassy, 35 rue de la Science, Brussels	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 11-33-88
Brazil	C. R. Gallow, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165, Rio de Janeiro	*Mail:* Caixa Postal 2164 *Cable:* Canadian *Tel.:* 42-4140
Brazil	C. J. Van Tighem, Consul of Canada and Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, Sao Paulo	*Mail:* Caixa Postal 6034 *Cable:* Canadian *Tel.:* 36-6301
Ceylon	Paul Sykes, Canadian Government Trade Commissioner	Galle Face Hotel, Colombo	*Mail:* P.O. Box 1006 *Cable:* Canadian *Tel.:* 5876
Chile	M. R. M. Dale, Commercial Secretary	†Canadian Embassy, 6th Floor, Av. General Bulnes, 129, Santiago	*Mail:* Casilla 771 *Cable:* Canadian *Tel.:* 64189
Colombia Ecuador	W. J. Millyard, Canadian Government Trade Commissioner	Calle 19, No. 6-39, Bogota	*Mail:* Apartado 1618 *Airmail:* Apartado Aero 3562 *Cable:* Canadian *Tel.:* 12-251
Cuba	A. W. Evans, Commercial Secretary	Canadian Embassy, Edificio Motor Centre, Calle Infanta 16, Havana	*Mail:* Apartado 1945 *Cable:* Canadian *Tel.:* UO-9457
Dominican Republic Haiti, Puerto Rico	R. E. Gravel, Canadian Government Trade Commissioner	Edificio Copello 410, Calle El Conde, Ciudad Trujillo	*Mail:* Apartado 451 *Cable:* Canadian *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Hashemite Kingdom of the Jordan, Saudi Arabia	Acting Canadian Government Trade Commissioner	Osiris Building, Sharia Walda, Kasr-el-Doubara, Cairo	*Mail:* P.O. Box 1770 *Cable:* Canadian *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	Commercial Counsellor for Canada	3 rue Scribe, Paris	*Mail:* (City Address) *Cable:* Canadian *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor	Canadian Embassy, 22 Zitelmannstrasse, Bonn	*Mail:* (City Address) *Cable:* Canadian *Tel.:* Bonn 38927
Germany	Wm. Van Vliet, Agricultural Secretary		

Territory	Officer	City Address	Mail and Cables, Office Telephone
Greece Israel, Turkey	H. W. Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., Athens	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 72-853
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner	28, 5a Avenida Sud, Guatemala City	*Mail:* P.O. Box 400 *Cable:* Canadian *Tel.:* 5590
Hong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., Hong Kong	*Mail:* P.O. Box 126 *Cable:* Canadian *Tel.:* 28336
India	Richard Grew, Commercial Counsellor	Office of the High Commissioner for Canada, 4 Aurangzeb Road, New Delhi	*Mail:* P.O. Box 11 *Cable:* Canadian *Tel.:* 40191
India Burma	B. I. Rankin, Commercial Secretary for Canada	Gresham Assurance House, Mint Road, Bombay	*Mail:* P.O. Box 886 *Cable:* Canadian *Tel.:* 20672
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., Dublin	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor	Canadian Embassy, Via Saverio Mercadante 15, Rome	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 80-842
Italy	C. F. Wilson, Agricultural Counsellor		
Italy	M. S. Strong, Commercial Secretary (Fisheries)		
Jamaica Bahamas, British Honduras	M. B. Palmer, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, Kingston	*Mail:* P.O. Box 225 *Cable:* Canadian *Tel.:* 2858
Jamaica	E. M. Gosse, Canadian Trade Commissioner (Fisheries)		
Japan Korea	J. C. Britton, Commercial Secretary	Canadian Embassy Tokyo	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 48-4116
Lebanon Iraq, Syria	G. F. G. Hughes, Canadian Government Trade Commissioner	†Centre Urbain Emir Beshir, Bâtiment A1, Rue Emir Beshir, L'Azarieh, Beirut	*Mail:* Boîte Postale 2300
Mexico	M. T. Stewart, Commercial Secretary	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, Mexico, D.F.	*Mail:* Apartado 126-Bis *Cable:* Canadian *Tel.:* 36-27-90
Netherlands	J. A. Langley, Commercial Counsellor	Canadian Embassy, Sophialaan 1-A, The Hague	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 18-51-06
Netherlands Belgium, Denmark, Luxembourg	Acting Agricultural Secretary		
New Zealand Fiji, Western Samoa	L. S. Glass Commercial Secretary,	Office of the High Commissioner for Canada, Government Life Insurance Bldg., Wellington	*Mail:* P.O. Box 1660 *Cable:* Canadian *Tel.:* 70-644
Norway Denmark, Greenland	J. L. Mutter, Commercial Secretary	Canadian Legation, Fridtjof Nansens Plass 5, Oslo	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	A. P. Bissonnet, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., Karachi	*Mail:* P.O. Box 531 *Cable:* Canadian *Tel.:* 5826

Territory	Officer	City Address	Mail and Cables, Office Telephone
Peru Bolivia	H. J. Horne, Acting Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, Lima	*Mail:* Casilla 1212 *Cable:* Canadian *Tel.:* 71950
Philippines	F. H. Palmer, Consul General of Canada and Trade Commissioner	Tuason Building, 8-12 Escolta, Manila	*Mail:* P.O. Box 1825 *Cable:* Canadian *Tel.:* 3-33-35
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48—1°D., Lisbon	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 53117
Singapore Brunei, Federation of Malaya, Indonesia, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room D-5, Union Building, Singapore	*Mail:* P.O. Box 845 *Cable:* Canadian *Tel.:* 7739
South Africa (Natal, Transvaal) Southern Rhodesia, Northern Rhodesia, Nyasaland, Mozambique, Kenya, Tanganyika, Uganda, Zanzibar	C. B. Birkett, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, Johannesburg	*Mail:* P.O. Box 715 *Cable:* Cantracom *Tel.:* 33-2628
South Africa (Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar	K. F. Noble, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, Cape Town	*Mail:* P.O. Box 683 *Cable:* Cantracom *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	E. H. Maguire, Canadian Government Trade Commissioner	70 Avenida Jose Antonio, Madrid	*Mail:* Apartado 117 *Cable:* Canadian *Tel.:* 21-41-13
Sweden Finland	F. W. Fraser, Commercial Counsellor	Canadian Legation, Strandvagen, 7-C, Stockholm	*Mail:* P.O. Box 14042 *Cable:* Canadian *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	Yves Lamontagne, Commercial Counsellor	Canadian Legation, Thunstrasse 95, Berne	*Mail:* (City Address *Cable:* Canadian *Tel.:* 4-59-17
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	Acting Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, Port-of-Spain	*Mail:* P.O. Box 125 *Cable:* Canadian *Tel.:* 4787
United Kingdom (South of England, East Anglia, Scotland), Iceland, British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor R. Campbell Smith, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, London, S.W.1	*Mail:* (City Address) *Cable:* Sleighing *Tel.:* Whitehall 8701
United Kingdom	D. A. B. Marshall, Commercial Secretary (Agricultural)		
United Kingdom	R. D. Roe, Commercial Secretary (Timber)		*Cable:* Timcom

Territory	Officer	City Address	Mail and Cables, Office Telephone
United Kingdom (Midlands, North England, Wales)	M. J. Vechsler, Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	J. H. English, Commercial Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W., WASHINGTON, 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN †*Tel.:* DEcatur 2-1011
United States	Dr. W. C. Hopper, Agricultural Counsellor		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda	A. E. Bryan, Deputy Consul General of Canada and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States	M. B. Bursey, Consul of Canada and Trade Commissioner (Fisheries)		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	G. S. Patterson, Consul General of Canada	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	D. S. Cole, Consul General of Canada	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, CHICAGO 6	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* STate 2-7312
United States (Michigan, Ohio)	B. C. Butler, Consul of Canada and Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT, 26	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* WOodward 5-2811
United States (City of Los Angeles, Southern California, Arizona)	V. E. Duclos, Canadian Government Trade Commissioner	510 West Sixth Street, LOS ANGELES 14	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* VAndike 7114
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	G. A. Newman, Consul of Canada and Trade Commissioner	Canadian Consulate, 201 International Trade Mart, NEW ORLEANS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
United States (Northern California, Montana, Oregon, Idaho, Washington, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	Acting Consul General of Canada	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* SUtter 1-3039
Venezuela Netherlands Antilles	J. A. Stiles, Consul of Canada and Trade Commissioner	Canadian Consulate General, Edificio Pan American, Puente Urapal, CARACAS	*Mail:* Apartado 3306 *Cable:* CANADIAN *Tel.:* 55818
Venezuela Colombia	Vice-Consul of Canada and Acting Agricultural Trade Commissioner		

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalents multiply by 1·03026.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Dec. 31*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1294	
		Basic buying	·1941	(1)
		Preferential selling	·1941	
		Basic selling	·1294	
		Free	·0699	
Austria	Schilling		·0454	
Australia	Pound		2·1820	
Belgium-Luxembourg & Belgian Dependencies	Franc		·0193	
Bolivia	Boliviano	Official	·01618	tax 5% (1)
		Differential	·00966	tax 3% (2)
British West Indies	Dollar		·5682	(3)
	Pound		2·7275	(4)
	Dollar	Brit. Honduras	·6819	
Brazil	Cruzeiro		·05246	tax 8% (2)
Burma	Kyat		·2046	
Ceylon	Rupee		·2046	
Chile	Peso	Official	·03126	(1)
		Commercial	·01616	
		Free	·00821	
Colombia	Peso	Basic	·3882	tax 3% (2)
		Coffee Buying	·4246	
Costa Rica	Colon	Official	·1733	(5)
		Free	·1454	*Oct. 31
Cuba	Peso		·9706	tax 2%
Czechoslovakia	Koruna		·0194	
Denmark	Krone		·1405	
Dominican Republic	Peso		·9706	
Ecuador	Sucre	Official	·06470	(6)
		Free	·05578	
Egypt	Pound		2·7872	
Fiji	Pound		2·4572	
Finland	Markka		·00422	
France	Franc		·00277	
French Africa	Franc		·00555	
French Pacific	Franc		·01526	
Germany	D Mark		·2311	
Greece	Drachma		·000065	
Guatemala	Quetzal		·9706	
Haiti	Gourde		·1941	
Honduras	Lempira		·4853	
Hong Kong	Dollar	Free	·1563	*Oct. 27
Iceland	Krona	Official	·05960	
		Special buying	·04583	
		Special selling	·03724	
India	Rupee		·2046	
Indonesia	Rupiah	Basic	·08514	
		With Surcharge I	·04257	(7)
		With Surcharge II	·02838	
		Dollar certificate	·00185	*Nov. 17

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Dec. 31	(See below) Notes
Iran	Rial	Certificate I	·011246	*Oct. 31
		Certificate II	·011149	*Oct. 31
Iraq	Dinar		2·7275	
Ireland	Pound		2·7275	
Israel	Pound	Basic	2·7177	
		Special	1·3589	
		Investment	·9706	
Italy	Lira		·00156	
Japan	Yen		·00270	
Lebanon	Pound	Free	·2725	*
Mexico	Peso		·1122	
Netherlands	Guilder		·2554	
Netherlands Antilles	Guilder		·5147	
New Zealand	Pound		2·7275	
Nicaragua	Cordoba	Effective buying	·1470	(8)
		Official Selling	·1377	
		With Surcharge I	·1206	
		With Surcharge II	·0966	
Norway	Krone		·1359	
Pakistan	Rupee		·2934	
Panama	Balboa		·9706	
Paraguay	Guarani	Basic	·06470	(1)
		With Surcharge I	·04622	(9)
		With Surcharge II	·03235	
Peru	Sol	Certificate	·0622	
Philippines	Peso		·4853	tax 17% (2)
Portugal	Escudo		·03381	
El Salvador	Colon		·3882	
Singapore & Malaya	Straits dollar		·3182	
South Africa (Union of)	Pound		2·7275	
Spain & Dependencies	Peseta	Basic buying	·04432	
		Basic selling	·08651	(1)
		†Basic commercial selling	·05909	
		Free	·02448	
Sweden	Krona		·1876	
Switzerland	Franc		·2265	
Syria	Pound		·2716	*Nov. 17
Thailand	Baht	Official	·07765	(1)
		Free	·05757	*Oct. 31
Turkey	Lira		·3466	
United Kingdom	Pound		2·7275	
United States	Dollar		·9706	
Uruguay	Peso	Official	·6390	
		Basic buying	·5453	
		Special buying	·4130	(1)
		Basic selling	·5108	
		Special selling	·3962	
Venezuela	Bolivar		·2897	(10)
Yugoslavia	Dinar		·00323	

* Latest available quotation date.

† Since the "Basic selling" rate is for State purchases only, we are now also quoting the "Basic commercial selling" rate.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective rate for all Indonesian exports to dollar area is basic rate plus 70 per cent of dollar certificate rate. Cost of imports is increased by full amount of dollar certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to all Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11.

foreign trade

JANUARY 17, 1953

Oil Boom for Peru? (page 7)

Looking Forward . . .

We at "Foreign Trade" began a new year by making plans for those 1953 issues that stretch away into the months ahead.

Already some of these plans are taking shape. Our February 7th issue, for example, will feature the markets for one of Canada's traditional exports—lumber. Altogether, it will bring you reports on the demand for Canadian lumber in some forty different countries.

Late in March will come the third of our quarterly numbers on current business conditions in various areas. This time we shall be covering the Commonwealth countries and paying special attention to the problems of the sterling area.

For those who like to study the direction and movement of Canada's trade and the influences upon it, we have two articles in the making. The first will discuss our trade with countries other than the United States and the United Kingdom and why it is growing. The second, to appear when the complete trade statistics for 1952 become available, will analyze the outstanding developments in last year's trading and the reasons for them.

We have not forgotten that some of our readers have a special interest in how the fisheries or agriculture are faring in different countries. Once a month we shall have an article from one of the nine offices abroad in which the Department has agricultural specialists, or from one of the three in which there are fisheries experts.

Finally, we hope shortly to introduce a department which will review briefly, from time to time, pamphlets and other printed material which the importer or exporter might find helpful.

Underlying all these plans is one ambition—to produce a magazine that will become more and more useful to those who buy and sell in the world's markets.

—The Editor.

foreign trade

OL. 13 OTTAWA, JANUARY 17, 1953 NO. 316

OVER . . . These oilfield
orkers at Talara, Peru, are
abbing in a new fishtail bit.
nder new legislation design-
d to attract foreign capital,
xploitation of the country's
l resources is being carried
t with new vigour. (See
ory on page 7.)
-Photo by Standard Oil Co.
(N.J.)

Published weekly by the Department of Trade and Commerce, under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

The Netherlands' Financial Recovery

The past year has seen the Netherlands make remarkable progress towards financial stability. Here is the story of how it was achieved—and a look at the problems that remain.

THE HAGUE—Throughout 1952 the financial strength of the Netherlands steadily increased. Less than two months before the year's end reserves of gold and foreign exchange stood at a postwar high of 3,553 million guilders.* In July 1951, by contrast, these reserves had reached the dangerous low of 894 million guilders. Thus within fourteen months over 2,600 million guilders were added to the reserves.

Although it is difficult to set any exact minimum or danger point for reserve holdings, most observers agree that, under present circumstances, anything less than 2·5 billion guilders would be courting trouble. With reserves of over one billion guilders above the hypothetical danger level, the Netherlands should face the future with more confidence than a year ago.

In addition, the country now has a total credit of $294 million with the European Payments Union. In fact, it has been recording substantial monthly surpluses with EPU since the turning point in recovery was reached in August 1951. During the first half of 1952 exports rose substantially. This, combined with a sharp decrease in imports, meant that 93 per cent of Dutch imports were covered by exports in the first seven months of 1952, compared with 77 per cent by the year 1951.

Factors in Improvement

Many factors have contributed to this financial improvement. Some observers believe the gains were achieved largely as a result of government measures. Others credit it to a fortunate combination of internal and external economic circumstances.

The improvement has permitted a slight easing of rigid currency controls. Temporary freeing of capital accounts held in the Netherlands by non-residents and increased Dutch tourist and emigrant allowances are the three recent measures which reflect the new economic strength. The present amount of dollar currency that Netherlands emigrants can take to Canada represents a 15 per cent increase over the former allotment. In addition, Netherlanders moving to Canada can now make capital transfers of $2,300. Although none of the relaxations of Netherlands currency controls is by any means startling, together they indicate a trend in the right direction.

In spite of all this, Holland's dollar position remains extremely difficult and there is little hope of Canadian exporters increasing dollar sales to the Dutch. To see why, we must examine the background.

---

* One guilder=25·57 cents Canadian.

Postwar Holland has been beset with many difficulties. Reconstruction of extensive war damage, the loss of her far eastern colonies, and the pressure of an ever-increasing population are the chief problems with which this country must wrestle. The long-term economic outlook is still far from bright though the nation has made remarkable progress since the war. Direct financial help from Canada and the United States has played a leading role in the rehabilitation of Dutch industry which, on the whole, is much more efficient than prewar.

Just before the Korean war the Netherlands balance of payments had improved to the point where equilibrium appeared in sight. However, the scramble for raw materials, greatly increased consumption, and creeping inflation which followed on the outbreak of the Korean war wiped out the gains. The deficit in the total balance of payments increased from 984 million guilders in 1949 to 1,362 million in 1950, or nearly 40 per cent. This deterioration continued during the first seven months of 1951 and the deficit with EPU mounted. In July 1951 total gold and foreign exchange holdings by the Netherlands Bank dropped to the alarming low of 894 million guilders.

Monetary Measures Taken

The measures taken by the Netherlands Government to restore financial stability were in no way revolutionary. The bank rate, which had been raised with little effect in September 1950 from $2\frac{1}{2}$ to 3 per cent, was further increased to 4 per cent for bills of exchange and $4\frac{1}{2}$ per cent for promissory notes. Operated with the help of commercial banks, these monetary restrictions were introduced to check the expansion of stocks and to reduce bank loans for internal investment.

These Dutch cheeses are soaking in brine tanks to form a natural rind, before being stored for curing. Netherlands' exports in 1952, among which cheese ranks high, helped the country to decrease its dollar deficit.

—Netherlands Information Bureau

67325—2

Higher taxation and reduced subsidies helped to lower consumption. Business profits were taxed more heavily and the sales tax on luxury goods was increased. Food subsidies, which had been running at about 450 million guilders a year, were cut to 175 million. This brought an immediate price rise of up to 20 per cent for some commodities. The annual rate of house building was reduced from 50 thousand to 40 thousand units. In what was probably a unique arrangement, the labour unions agreed that a 5 per cent wage increase should cover only one-half of the rise in prices which inevitably followed the Government's new measures. In fact, the wage level lagged behind prices by about 7 per cent.

The only increase in physical controls over trade was a reduction from 65 to 60 per cent of "liberalized" trade with other Marshall Aid countries. On March 1, 1952, the average percentage of "liberalized" trade was restored to 75 per cent.

Assessing the Gains

Throughout 1952 the Netherlands continued to show monthly surpluses with EPU and on October 1, 1952, had accumulated a total EPU credit of over $294 million. She also achieved notable surpluses with Argentina, France and—most striking of all—with the sterling area. Although the trading deficit with Belgium has gone down considerably, Dutch indebtedness to West Germany has been increasing.

Remembering the many external factors which influence the Netherlands' prosperity, it would be rash to assume that the country has achieved economic stability. The loss of export markets or an increase in the prices of imported raw materials could soon alter the picture.

In analyzing the Netherlands' strengthened financial position it is fairly easy to single out the principal factors, but difficult to measure the degree to which any one factor or combination of factors has been responsible.

The Government's economic policy, outlined above, has probably been the greatest single influence in the marked increase in foreign exchange holdings. With the introduction of these government measures Holland's terms of trade began to show marked improvement. World commodity prices, which had soared with the outbreak of the Korean War, continued to fall.

The volume of exports, which has been steadily increasing since World War II, achieved a record during the recovery period. On the other hand, Holland's imports were greatly reduced. The degree to which the value of exports covered imports during the first seven months of 1952 averaged 92 per cent, compared with 77 per cent for the year 1951.

Dollar Problem Remains

Notwithstanding the general improvement in the Netherlands balance of payments and reserve holdings, the dollar problem remains unsolved. During the period July 1951 to June 1952 the Netherlands' dollar deficit totalled about $180 million. Exports to dollar countries have increased fivefold over the past five years. In 1947, dollar exports totalled $26·5 million, compared with $120·1 million in 1951. During this period, however, Canadian and American dollar aid helped Holland to decrease her dollar deficit. As direct American economic aid nears an end, the

Netherlands must continue to restrict dollar imports to essential items. A return to international currency convertibility might ease the dollar problem, but would be unlikely to solve it completely. At the moment it seems likely that Canadian exporters will continue to see purchases of less essential products restricted by the Netherlands because of currency difficulties.

Most observers exercise extreme caution in interpreting Holland's improved financial status. Delayed defence expenditures, the problem of domestic unemployment, and the instability of external conditions (both in the supply of raw materials and in the export markets) could soon wipe out the advances made. In the meantime, production continues high and, provided that external influences do not upset the present trend, 1952's high level of economic activity should continue through 1953.

—W. G. PYBUS
Assistant Commercial Secretary for Canada

Britain Renews the Export Drive

To balance U.K. trading accounts and create a surplus to help develop backward areas of the Commonwealth, British exporters are pushing dollar sales, with government encouragement.

LONDON—The determination of the United Kingdom to play its part in the economic rehabilitation of the sterling area is typified by the efforts made over the past twelve months to achieve a balance in the country's overseas trading accounts. These efforts have been largely successful. The volume of exports in 1952 will prove to be about 50 per cent larger than in 1938. Earnings from these exports, plus a rigid control of imports, have helped to produce the current balance.

The Chancellor of the Exchequer has recently pointed out that, commendable as the recent performance has been, exports must be still further increased. Only in this way can import restrictions be relaxed and a surplus created out of which the United Kingdom can assist in financing the development of the more backward parts of the Commonwealth.

Meeting Competition

In the latest OEEC report, the United Kingdom revealed its intention to reach an overall balance of payments surplus of £300-350 million in 1953-54. To achieve this, the value of exports will have to be increased by 20 per cent over 1951.

How to obtain larger exports in the face of steadily fiercer competition from Germany and Japan is the problem that must be solved. Talks have been held with representatives of industry, commerce and the trade unions in the search for a solution. Further meetings are planned in the near

future to study such aspects of a renewed export drive as incentive schemes, credit in export markets, the dangers of barter arrangements, the effect of taxation on exports, and so on.

Flexibility Needed

Postwar experience has shown the need for flexibility in British exports. Certain industries once important in the export picture are now of less consequence. New products have replaced the old. Exports of coal are today insignificant, but exports of aircraft, refrigerators and a wide range of engineering products, electrical goods and chemicals have become important. The Chancellor of the Exchequer recently drew attention to the contribution made to exports by industries that did not even exist in the U.K. before the war. He mentioned such products as nylons, penicillin, prefabricated buildings, radar, and combine harvesters.

The success of any export drive will depend to a large extent on the ability of U.K. industry to direct its resources into fields where overseas prospects exist. The opportunities for earning dollars by the sale of advanced British types of aircraft to the United States and Canada have been lessened to some extent by the inability of the U.K. aircraft industry to produce the planes fast enough.

Aids to Dollar Exports

The special importance of increased dollar exports remains, and there are a number of devices to encourage exporters to go after dollar markets.

For example, one of the important considerations in determining whether or not permission shall be given to erect new plant or extend existing capacity is the dollar-earning potential of the project. In raw materials it is possible, where controls exist, to show some discrimination in favour of manufactures to be exported to dollar areas. Where the end use of certain raw materials is controlled, relaxations are sometimes allowed for dollar exports. In addition, applications for imports which will contribute to increased dollar earnings receive favourable consideration. For example, sales of furs and fur garments to the dollar area entitle the exporter to a dollar "import quota" for raw skins, to the value of the raw skin content equivalent.

Under the Export Credit Guarantee Department's "Dollar Drive" policies, particular facilities are offered to exporters to dollar areas. These provide for a very wide range of trade risks and are based on a determination to find solutions to individual as well as general problems.

In addition to these "official" stimulants to dollar exports, there is a widespread determination on the part of enlightened firms to develop sales in dollar markets, not only because of a belief in the ultimate possibilities for profit, but because of an inherent patriotism which recognizes the contribution that success in this field will make to the general prosperity and welfare of the United Kingdom itself.

—R. P. Bower
Commercial Counsellor for Canada

Oil Boom for Peru?

Recently Peru passed a new petroleum law, designed to attract foreign capital to help develop its huge oil potential. Canadian companies are showing some interest.

LIMA—The program of the present government of Peru has laid stress on the elimination of obstacles which block or delay progress in the Republic. Recognizing that the money needed for the immediate development of the petroleum industry was beyond the capacity of government capital to raise, the Government decided to allow private capital, both domestic and foreign, to exploit the oil resources.

New Law Framed

Legislation designed to protect national interests and, at the same time, make investment attractive to foreign companies was under consideration for a long time. The result was the new Petroleum Law of March 1952, modelled basically on the Venezuelan pattern, to encourage foreign participation in the development of Peru's petroleum resources.

Those interested can apply for concessions of two types—exploration and exploitation—at reasonable cost. Exploration concessions may be converted at any time into exploitation concessions. One-half the area under the exploration lease then reverts to the State as a national reserve. Where applications for concessions overlap, exploitation concessions have a prior claim. Where exploitation concessions overlap, if the companies cannot come to an agreement the land overlapped goes up for auction among the applicants.

The new law offers highly favourable conditions for developing the Amazon basin east of the Andes. A graduated system of income tax rebates, a 50 per cent reduction in import duties on equipment brought in (to continue for thirty years) and a substantial depletion allowance are the means used. However, higher transportation costs will make development work there more expensive and the cost of transporting oil out will also be considerable. It is expected that the Sechura desert, chief oil area in the coastal region, will, because of its better location, be developed earlier and more intensively than the mountain or eastern oil areas.

Concessions Applied for

Under the law, Peruvian companies have special advantages. Five Peruvian companies filed preferential applications for exploration concessions. Four of these are located in the Sechura desert area of northern

67325—3

Peru and one in eastern Peru in the Ucayali River region. They cover altogether an area of 256 thousand hectares.* Following the national preferential registration period, foreign companies could apply for concessions, beginning October 27th, for rights to areas for a 40-year period. To date nine foreign companies—including three Canadian, four U.S., one Argentine and one U.S.-Argentine—have filed applications for 155 exploration and 29 exploitation concessions in eastern Peru. Concessions applied for in the coast area total 2,545,000 hectares and in eastern Peru 1,278,000 hectares. Guarantee deposits filed with the applications amounted to Soles 22,941,000.†

Canadian Interests

Three companies in which Canadians have an interest have filed applications for 477 thousand hectares, 397 thousand hectares and 463 thousand hectares, respectively. Undoubtedly there will be some overlapping in certain areas. It is expected that the official allocation of rights will require from three to six months; after that, extensive development work by the companies will begin.

For many years there has been little new exploitation of Peru's huge oil potential. Now large-scale foreign capital investment, attracted by the favourable conditions created by the new law, is expected to foster development that will make Peru a major oil-producing country.

An English translation of the new Petroleum Law can be obtained, on loan, from the Director of the Trade Commissioner Service, Ottawa.

—Harry J. Horne
Acting Commercial Secretary for Canada

---

* One hectare=2·471 acres.
† One Peruvian sol=6·2 cents Canadian, approx.

MANILA GOES INTERNATIONAL

Historic Luneta Park, Manila, will be the scene of the Philippines' first International Fair, from February 1 to April 30. Using the motif "Philippines Progress Across the Centuries", the various displays will illustrate what the islands have achieved in cultural, social, economic and political development. They will also give visitors some idea of the great resources waiting to be harnessed and of the industrial and tourist potential of the country.

The Philippine Government and the various provinces and cities will have displays in the National Section; the International Section will feature exhibits by many participating countries. Some 40 local manufacturers, exporters and importers have taken space already in the Commercial and Industrial Section. The Cultural Section will specialize in exhibitions of fine art, music, drama, etc., arranged both by the Philippines and by other participating countries.

COMMODITY NOTES

AUSTRALIA

Gold—Amendments to taxation laws made in the 1951-52 Budget brought an increase in gold exports, making this one of Australia's main mineral exports. These amendments permit gold producers to sell newly mined gold on overseas markets for industrial purposes.

Total exports during the quarter ending March 31, 1952, were 177,123 fine ounces in the form of ingots, dust and bars, valued at £3,028,987. Main buyer was Switzerland, whose purchases totalled 138,949 fine ounces worth £2,377,466—Sydney, December 16.

CHILE

Locomotives—Ten locomotives for the State Railways will arrive in a Japanese vessel early in January, it is reported. A further ten will come on the same vessel a little later on—Santiago, December 15.

Antibiotics—All antibiotics will be imported through the Public Hospitals and Social Assistance Board for direct sale to chemists, it has been decided. An appreciable reduction in prices to the public should result—Santiago, December 6.

ITALY

Fiat 1900—To complete its line and compete with the larger motor cars produced in France and the United Kingdom, the Fiat Motor Company has just released the Fiat 1900. With an engine of 1,900 cubic centimetres capacity, four cylinders, five speed gears and a hydraulic joint, this car is both powerful and modern in design, with a guaranteed top speed of 135 kilometres an hour. The car will be sold in Italy at Lire 1,750,000 for the standard type and Lire 2,150,000 for the "special"—Rome, December 18.

MEXICO

Coffee—The 1951-52 coffee crop was reliably estimated at 60 thousand metric tons and the crop in 1952-53 at 70,800 metric tons. Exports in 1951 totalled 51,905 tons; exports from the September 1952 harvest were 48,818 tons. Following the September 1953 crop, exports are expected to reach 55,800 metric tons.

67325—3½

Sales abroad in 1951 were valued at 534·9 million pesos, 9·8 per cent of total Mexican exports and 26·3 per cent of agricultural exports. Domestic consumption, which was 21,945 metric tons in 1948, sank to 12 thousand tons in 1952 and was not expected to exceed 15 thousand tons in 1953, despite the increased population—Mexico, D.F., December 30.

PAKISTAN

Dredgers—The largest of the fleet of 36 dredgers ordered for East Pakistan was launched at Amsterdam, Netherlands, on November 29. This dredger is 216 feet long, has a beam of 45 feet and a draft of seven feet, and is designed to dredge to a depth of 24 feet with an output of 75 thousand cubic feet of silt or sand per hour discharged through a pipeline three feet six inches in diameter for a horizontal distance of 1,200 feet. The spoil can also be discharged 160 feet along a gradient over a bank 20 feet in height. The dredger has twin propelling screws and four forward cutters of 200 B.H.P. each. The two main engines for propelling the vessel are of 850 I.H.P. each at 300 R.I.M. These dredgers will be used in East Bengal to maintain a network of navigable channels connecting trade centres with the remotest villages and the major ports of Chalna and Chittagong—Karachi, December 10.

SOUTH AFRICA

Minerals—According to official figures, the value of copper, asbestos and diamonds exported from South Africa during the first nine months of 1952 increased sharply compared with the same period in 1951.

Bar and blister copper exports were valued at more than £8 million during the first nine months of this year, in comparison with £4,823,409 during the same period of 1951. The value of asbestos exports during the nine months ended September 30 rose from £4,917,081 in 1951 to £6,920,316 in 1952. Diamond exports during the first nine months of this year were valued at £21,031,008, an increase of £1,600,000 over the 1951 period—Johannesburg, December 15.

SPANISH GUINEA

Cocoa—This season's cocoa crop in Spanish Guinea is estimated at 15 thousand metric tons, according to an official report. The greatest percentage of the crop comes from the island of Fernando Poo—Madrid, December 16.

WEST GERMANY

Automobiles—Automobile shipments via the harbour of Hamburg in the first week of October were the highest in 1952. They included 246 delivery vans to Canada, 87 tractors to Argentina, and 73 automobiles to Colombia, Sweden and Finland. In October, automobile shipments were cleared through Hamburg to Sweden, Indonesia, Costa Rica, South Africa, Paraguay, and Syria—Bonn, December 10.

South Africa Fights Soil Erosion

"Save the Soil" campaign launched by the National Veld Trust seeks to impress farmers with urgent need for conservation.

JOHANNESBURG—On the heels of one of the worst droughts in the history of South Africa, the National Veld Trust, a non-profit organization, has launched a "save the soil" campaign designed to rouse South Africans to the menace of widespread soil erosion. The campaign opened last year with a fund-raising drive that ran from September 1 through November. Using the Green Cross as its symbol, the National Veld Trust is publicizing soil conservation and will use the funds raised in the recent drive to encourage soil conservation practices on individual South African farms.

Canadian Wheat Sales Affected

The success or failure of the "save the soil" campaign will determine how much Canadian wheat South Africa buys in the years to come. At the moment, local farmers can produce three-quarters of the Union's annual requirements. The remainder, some six million bushels, has to be imported. During 1951 Canada supplied almost all of this at a cost of $10,879,370 to the South African Treasury.

The National Veld Trust drive is the outcome of increasing anxiety over soil conditions in the Union's important farming areas. Historically, the South African farmer's troubles have been ascribed to droughts which dry up the country periodically. In most of South Africa rain falls only during the summer and only one-third of the country gets 25 inches of rain a year, the minimum needed for successful crop production. Authorities estimate that it is unlikely that more than 15 per cent of the total land area can ever be cultivated; the rest is too arid, stony or mountainous.

Although experts recognize the limited agricultural potentialities of the Union's soil, recent studies indicate poor soil conditions have been made worse by unscientific farming methods. In his report for 1951 the Secretary for Agriculture said, "Under the pressure of continuous crop production, the soils in the intensive farming areas show an alarming decline of fertility and collapse in structure".

In the country's early days, a small population lived on large expanses of land and farmed sparingly. With the development of urban life in the Union and its demands on the farmer, land was cut up into smaller units and worked continuously. Assuming that soil fertility was stable, the farmer's concern was to produce cash crops. This he did, but at the same time he was depleting the soil by straight cropping without rotations, by removing grain without replacing manure or without including grass crops periodically for building up soil structure. As the soil deteriorated, erosion increased. When the country experienced

Long years of straight cropping without rotation and without enriching depleted soil is rapidly changing this South African field of maize into a sandy waste. The National Veld Trust is working to prevent such erosion.

a drought, marginal land and steep slopes that had been indiscriminately ploughed became powdered dust. When the rains came, torrents raged over mountain catchment areas and valleys that had been repeatedly overcultivated and overstocked. Instead of being retained where it fell, the rain rushed to deposit its silt in the nearest river.

Inexorably, the water table of South Africa has been lowered. Streams that formerly ran all year round are now dry in the dry season and raging floods when it rains. Droughts formerly regarded as relatively insignificant now assume the proportions of a major disaster. As a result, soil erosion is so serious it is considered a threat to the nation. Authorities estimate that water erosion alone strips South Africa's vital grain belt of 40 million tons of topsoil, and that a total of 300 million tons of the country's soil is washed into the sea every year. Recently the Prime Minister, Dr. D. F. Malan, said, "In our ignorance and carelessness, we have, in the course of the last 50 years, grossly overtaxed and maltreated the nation's soil, and in many parts, even destroyed it. The western desert is gradually encroaching on the eastern plateau. Fires have scorched the sponges of our mountain ranges. The once waving grasslands of the Highveld now lie bare and red and millions of tons of precious topsoil are washed to the oceans annually". The Prime Minister urged full support of the National Veld Trust campaign.

Since its inception in 1944 the National Veld Trust, which was formed by a handful of prominent South Africans, has been devoted to promoting soil conservation. One of the first acts of the group was to prepare a Model Soil Conservation Bill along the lines of the Roosevelt Standard State Soil Conservation Law of 1937 which helped to solve soil erosion

problems in the United States. The National Veld Trust Bill was adopted in the Union Parliament and became law as the Soil Conservation Act of 1946.

To put the Soil Conservation Act into effect, a new division was formed in the Department of Agriculture. But it soon became apparent that it would take more than government action to halt the appalling loss of soil each year. The Minister of Agriculture stressed the magnitude of the problem when he said, "If we could, within the next five years, devote £150 million to the development and protection of our soil and water resources, we would at the end of that time still not have the needed stability and security. There would be the contours, the fences, the stormwater drains and the dams. But these mechanical emergency measures are but a small part of the 60 major soil conservation practices recognized by science. To apply them all needs the understanding and active co-operation of the individual husbandman, whether he be operating a peasant plot in the Transkei or a great mechanized farm in the Eastern Transvaal".

—HOWARD E. CAMPBELL
Assistant Canadian Government Trade Commissioner

TV Production Reaches New High

WASHINGTON—During the first ten months of 1952, the production of television receivers in the United States reached an all-time high of 4,394,708 sets. In October alone 724,117 sets were made, 75 per cent above October 1951. Production of radio sets was 772,346. Thus for the first time production of TV sets almost equalled production of radios. The ten months' TV output was well over 50 per cent of the radio production of 7,461,881 sets during the same January-October 1952 period.

Production figures for the five years 1947-1951 show the phenomenal growth of this new industry.

	1947	1948	1949	1950	1951
Table model	116,315	646,509	1,792,691	2,941,560	2,275,901
Console	37,039	179,181	989,220	3,820,060	2,774,859
Phono-combination	25,217	149,310	218,089	702,180	334,038
Total	178,571	975,000	3,000,000	7,463,800	5,384,798

Over the five years, output of TV sets totalled 17,002,169, compared with 75,117,262 radio receivers. The relative importance of the television industry is shown by the fact that manufacturers' value of television receivers exceeded that of radio by almost three to two—$3,166,986,300 for television, as compared with $2,175,936,597 for radio.

Of interest too is the fact that console and consolette television production during the five-year period increased from 20·74 to 51·53 per cent. This was largely at the expense of table models, which represented 65·14 per cent of the production in 1947 but only 42·27 per cent in 1951. This trend seems to be continuing.

Precise statistics showing the five-year trend from small screen to large screen TV receivers do not seem to be available. Probably in the earlier years adequate records were not maintained. In 1951, however, the production of sets by size of screen was:

15 inches and smaller	254,289
16, 17 and 18 inches	3,977,212
19, 20 and 21 inches	913,206
22-inch and over	25,423

—JOHN H. ENGLISH
Commercial Counsellor for Canada

Afghanistan's "In-Transit" Trade

KARACHI—Afghanistan's in-transit trade through Pakistan during the first nine months of 1952 reached a new high of Rs.140·7 million, compared with Rs.116·7 million for the same period in 1951.

Exports from Afghanistan to foreign countries, as recorded by the Collector of Customs at Lahore and Karachi, Pakistan, rose to Rs.82·5 million in the first nine months of 1952 as against Rs.68 million during the corresponding period last year. Imports into the country, both for private and government account, also showed an appreciable rise—to Rs.58·2 million compared with Rs.48·7 million in the corresponding period last year.

The largest share of Afghanistan's exports—about Rs.7·7 million a month—passed through the port of Karachi. Last year the average was Rs.7·1 million a month for the first nine months.

Principal exports to foreign countries were:

Category	Value
Raw hides and skins	Rs. 49·4 million
Fruits and vegetables	15·8 "
Raw cotton	7·7 "
Raw wool	5·6 "
Wool manufactures	2 "

These five categories cover 98 per cent of the total exported goods in transit through Pakistan.

The principal imports into Afghanistan were:

Category	Value
Cotton piece goods	Rs. 14·4 million
Green tea	4·3 "
Sugar	3 "
Machinery and millwork	2·2 "
Rubber manufactures	2·1 "

These categories cover 65 per cent of total imports, valued at Rs.40·1 million.

Other significant items were rayon piece goods (Rs.1·8 million); petrol (Rs.1·4 million); other mineral oils (Rs.1·3 million); silk manufactures (Rs.1·3 million); and vehicles (Rs.1·1 million). These constituted 17 per cent of the total imported goods for private account in transit through Pakistan.

—A. P. BISSONNET
Commercial Secretary for Canada

TRANSPORTATION NOTES

The World's Second Shipbuilder

TOKYO, JAPAN—Japan's shipbuilding industry has emerged from the postwar doldrums to become the second most important in the world. In the second quarter of 1952, Japanese construction exceeded that of the United States by a scant margin. Britain, however, continues to lead with a two-million-ton construction program.

Something of a record was established when the Hitachi Shipbuilding and Engineering Company launched three ocean-going vessels on three successive December days, at three different Hitachi dockyards. The three ships were rated at $17\frac{3}{4}$, $15\frac{3}{4}$, and 15 knots, with a deadweight tonnage of 10,450, 7,600, and 20 thousand respectively.

In the same month, the Uraga Dock Company launched a 20 thousand-ton oil tanker for the Tanker Transport Corporation of Panama, and the Shimizu shipyard of the Nippon Steel Tube Company launched a similar vessel, also for a Panamanian shipowner, which is expected to be completed by early May. Both these tankers were constructed to the highest class of Lloyd's Register. On December 17, Hirami Shipbuilding Company launched a 28 thousand-ton tanker, the largest ever built in Japan, purchased by the Iino Kaiun Company, at Aioi Bay, Hyogo Prefecture. The M.S. *Santos Maru* (10,700 tons deadweight) made her maiden voyage on December 27. She is operated by the Osaka Shosen Kaisha Line on the first postwar regular passenger-cargo service to South Africa and South America.

Construction Figures

According to Lloyd's *Shipping Register,* vessels under construction during the third quarter of 1952 totalled 2,062,000 gross tons in the United Kingdom, 603 thousand gross tons in Japan, and 600 thousand tons in the United States. In October the Japanese tonnage of ships under construction rose to over 625 thousand gross tons, although the number of ships fell to 121. At the end of the year, Nippon dock workers were busily engaged on 57 ships of 5,000 tons or larger, totalling 582 thousand gross tons. When vessels below 5,000 tons are included, the total rises to about 700 thousand gross tons, a postwar high. Of the 57 ships exceeding 5,000 tons, 60 per cent were tankers totalling 351,350 tons. The others were freighters, with the exception of one ship completed as a freighter-passenger steamer. Nineteen of the 24 tankers being constructed in December were for foreign owners.

Meanwhile, the Japanese Government, naturally interested in this vital industry, is preparing to lend every aid. In mid-December a bill called the "Ocean-Going Ships Construction Loan Interest Subsidizing Law Bill" was approved. Under this law the Government intends to help shipbuilders pay the interest on loans from Tokyo banks as one means of expanding the nation's merchant fleet and undertaking new construction for export. For the next fiscal year, beginning April 1, 1953, a new iron and steel price adjustment system is planned. Under it, shipbuilders will be supplied with steel plate at prices corresponding to the international level, i.e., cheaper than the prevailing domestic rates.

Building Program

Japan's shipbuilding program for the coming fiscal year calls for the construction of 500 thousand tons, of which two-fifths will be for export. There is a current report that Japanese shipyards will build 22 war vessels for the Brazilian Navy, including six submarines, but clear sailing for the industry as a whole is by no means assured. The contentious international problem of Japan's excess building capacity, which has been the subject of a number of reports and missions, is expected to re-emerge. Last year's record construction boom which put this issue into relative obscurity is expected to end.

—R. F. Renwick
Assistant Commercial Secretary for Canada

The Japanese whaling fleet, headed by the "Tonan Maru" seen in this picture, left Osaka early in December for the Antarctic. Altogether, the fleet is expected to catch some 850 whales.

Report on Surinam

Surinam has been increasing its purchases of Canadian products; despite some import restrictions, provides an attractive market, especially for farm machinery, flour, fish.

PORT-OF-SPAIN—Equal treatment for imports from all countries is the key to current import policies in Surinam (Netherlands Guiana). This sparsely populated Dutch possession is a net earner of dollars in its trade with both Canada and the United States. For most commodities brought in—including nearly all manufactured goods and most of the traditional Canadian exports to Surinam—import licences are being granted freely. A few come under import quota. This means that, irrespective of the country of origin, import licences are granted on a quota basis. Products in this category of interest to Canadian exporters include leather footwear; other kinds of footwear, such as imitation leather shoes, canvas shoes, etc. (excluding rubber-soled shoes for sports use only); men's and women's clothing; furniture; fireworks.

Some commodities of a type already being produced in Surinam are prohibited entry. No import licences or currency permits will be granted for them, no matter what their origin. These products include fresh and frozen meat, honey, macaroni and vermicelli, bran, dressed and undressed lumber, railway ties, shingles, shavings, platinum, gold and silver ware, and matches.

Surinam depends on indirect controls to hold down its imports to a manageable level. Among the methods it uses are restrictions on bank credit and a high interest rate on bank loans. Before an import licence is granted, the importer must show proof of a purchase contract and must make a deposit equivalent to 15 per cent of the invoice value.

Traditional Imports

Surinam does not have any preferential tariffs and all countries receive the same tariff treatment. Its 200 thousand people depend on imports for most of the food and manufactured goods they use. The total value of imports has increased steadily, reaching 45·9 million Surinam florins in 1951, more than six times the prewar figure. There seems to be ample scope for increasing Canadian sales in this market. Canada's share, although still less than 3 per cent of total imports, has shown an encouraging rise in the past few years. The principal suppliers in 1951 were: the United States, with 38 per cent of imports; the Netherlands, 28·4 per cent; Caribbean area, 10·3 per cent (chiefly oil from Trinidad); the United Kingdom, 6·9 per cent; Germany, 3·2 per cent; Canada, 2·8 per cent and Belgium, 2·4 per cent.

Flour and fish, Canada's traditional exports to Surinam, may soon be surpassed by machinery if current trends continue. In 1951, sales of Canadian machinery to this market totalled $72,758. For the first eight months of 1952 this figure jumped to $279,182. The most spectacular increase was in sales of farm machinery—from $67,783 to $221,265.

In 1951 flour was the principal Canadian export to Surinam, with sales totalling $358,678. Fish (dried, salted, smoked and canned) stood next at $157,919. Cotton manufactures and machinery each accounted for about half this amount. Medicinal preparations, explosives, linseed and flaxseed oil, and rubber manufactures were next in importance. And more than 120 other commodities were included in the total for the year of $934,045.

Bauxite Exports Aid Recovery

Until bauxite began to enter world trade, the Surinam economy developed slowly. In its early days the country enjoyed prosperity based on large exports of cotton, sugar, coffee and cocoa, grown by slave labour on large estates. But with the freeing of the slaves in 1863 the estates were broken up into small land-holdings and production and exports dwindled. Surinam is rather remote from major trade routes and markets and the growth of competition in the Far East has contributed to its difficulties. For nearly a hundred years the country has suffered from chronic budget deficits and an excess of imports over exports.

Bauxite was discovered in Surinam in 1922. Today, following a sharp wartime increase in production, output has reached 2½ million tons per year and is expected soon to reach three million tons. Most of this bauxite goes to the United States. The bauxite mining industry accounts for 80 per cent of Surinam's exports, supplies a third of government revenues, and provides a major prop for the prosperity of the country. In so doing, however, it gives rise to a one-sided economy which the smaller export trade in lumber, plywood, balata, rice, coffee, citrus fruits and coconuts is insufficient to correct.

Ten Year Development Program

The Netherlands Government, with the Surinam Government, is now considering a ten-year, $50 million development program designed to balance and strengthen the country's economy. The International Bank for Reconstruction and Development is taking part in the planning and may be called on to assist with the financing.

The most striking feature of this program—the proposal to process Surinam bauxite into aluminum ingot—is still in the discussion stage. The development would include a major hydro-electric scheme on the Surinam River to be known as the Brokopondo project. A special mission from the International Bank for Reconstruction and Development, in commenting on this in May 1952, pointed out that the first step should be to interest an aluminum-producing company in erecting the necessary plant. The Government would build the hydro-electric generating facilities and sell power on a long-term contract to the producing company.

The Ten Year Program also includes agricultural developments which may require the import of agricultural machinery and purebred cattle. It is proposed initially to recondition a minimum of 13 thousand hectares of old plantation land now lying fallow and to open up a minimum of 19 thousand hectares* of new land in the northern lowlands. The Wageningen project entails the clearing, draining, and irrigation of 15 thousand hectares of land to be divided into 210 large farms under Dutch management for the highly mechanized cultivation of rice and soya beans. A

* One hectare=2·471 acres.

rice-processing plant and a powerhouse will also be built. Funds have been allocated for agricultural research, the extension of agricultural credit, cattle breeding and the establishment of fish farms.

Other features include the building of roads and canals and improvements to the harbour of Paramaribo, the capital. Under a forestry scheme, large timber stands would be opened up by the construction of roads and waterways. Private investment in the wood products industry would be encouraged by an allocation of Program funds.

The Surinam Government is considering several steps to encourage private capital from abroad to invest in the country. One such step is the granting of income tax exemption and favourable rates of depreciation to suitable enterprises. In addition, it has been suggested that the mining concession policy should be revised if the known deposits of kaolin, iron ore, mica, platinum and copper are to be exploited.

—Roger R. Parlour
Acting Canadian Government Trade Commissioner

Japan's Coal Shortage

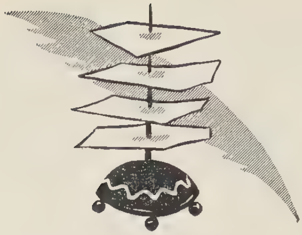
TOKYO—The Japanese Government has approved the import of more than 500 thousand tons of coal to meet the present serious shortage caused by the coal miners' strike, which has been in progress for more than eight weeks. The shortage has already brought the rationing of gas for domestic and industrial use and, in addition, a 30 per cent reduction in railroad services from December 11th. The steel industry is also feeling the pinch because it depends to a considerable degree on domestic coal. Even if the miners' strike is settled within a few days, Japanese industry will need substantial tonnages of imported coking and gas coal.

The United States is expected to supply 130 thousand tons of coking coal for the steel industry, 120 thousand tons of bituminous coal for the gas industry and 20 thousand tons for the glass industry. Coal probably will be imported from Taiwan and India while the present shortage lasts. Japanese coal importers are seeking additional sources for bituminous coal but there has been no official indication of purchases from countries other than the United States, Taiwan and India. Should the coal strike continue, it is probable that the country will buy bituminous coal from all competitive sources of supply.

The coal strike coincides with the electric workers' strike and a so-called "Law-Abiding Strike" by the National Railway Workers Union. The railway workers are refusing to work overtime and intend to adhere scrupulously to operation and safety regulations.

Apart from the inconvenience caused to domestic consumers, the series of strikes, if prolonged, will drastically affect industrial output. The strikers have as their objective wage increases and year-end bonuses.

—J. C. Britton
Commercial Secretary for Canada



GENERAL NOTES

AUSTRALIA

Unemployment Rises—The number of unemployed in Australia in September was the highest since May 1949. There were 27,806 receiving unemployment benefits—2,929 more than in August and more than double the July total of 13,680. The main industries affected were manufacturing, building and construction, and transport and communications. Total number of men employed was 1,870,900 in September, a drop of 10,900 compared with August. The number of women was 665,900, a drop of 2,100, chiefly in factories and commerce—Sydney, December 17.

CHILE

Cellulose and Newsprint Plants—Installation of a cellulose factory with an annual production capacity of 47,500 tons and of a newsprint plant with a capacity of 45 thousand tons is being studied. Both of these factories will be in the Concepción district. The estimated cost is $20 million, already solicited as a loan from the International Bank, and 300 million Chilean pesos—Santiago, December 10.

Hungarian Trade Mission Expected—A Hungarian Trade Mission will be arriving in Chile shortly to begin negotiations for active trade with Chile. This will be the first commercial delegation to visit Chile from any country beyond the Iron Curtain since diplomatic relations with the Soviet were broken off—Santiago, December 11.

CUBA

German Industry—The Cuban Government has granted the request of a local firm to hold a so-called Industrial Fair to show various types of machinery manufactured in West Germany. The exhibits, valued at an estimated $1½ million, will include construction machinery, diesel motors, pumps, agricultural equipment, rice harvesting machinery, machinery for the food industry, trucks, tractors, automobiles, mobile cranes, locomotives, refrigerated cars and other products of West German industry. Only one unit of each item will be allowed entry. The Fair will be open for 18 months and duties and taxes will be collected on items sold or remaining in the country after this period. Proceeds from sales made at the Fair will be deposited in a special bank account, 70 per cent of which, after deduc-

tion of freight, handling and storage charges, will be earmarked for the purchase of molasses, sugar, tobacco and other Cuban articles and products—Havana, December 12.

EAST GERMANY

Private Enterprise Declines—During recent years, the share of private industries in Soviet Zone production has continually decreased. In 1951 the share of private enterprise in total production amounted only to one-quarter; in 1949, one-third of all products still originated from private undertakings. Companies manufacturing capital goods have been most affected by nationalization because of the important place they hold in the reparations and re-armament policy. Undertakings at present remaining under private ownership comprise mainly small businesses which operate on a small profit margin. The Soviet influence in Eastern Germany is being strengthened by a Five Year Plan which provides for further elimination of private industries. Under it, only 5 per cent of the total production of the Soviet Zone will remain in private hands by 1955—Bonn, December 23.

THAILAND

Rubber Production Program—With the assistance of FAO, the Thai Government has embarked on a program to raise the quality of rubber produced and improve marketing facilities. The plan has two aspects: a short-term program of modernizing machinery and techniques, and a long-range objective of replanting with high-yielding types. The rubber industry, located in South Thailand on the Malay Peninsula, has been handicapped because of small-scale operations and ownership, and low-grade production. World demand now is for high-grade types which require efficient processing, grading and packing—Singapore, December 5.

WEST GERMANY

Tourist Trade—Income from the tourist trade in the Federal Republic of Germany is expected to total 400 million D marks in 1952, as compared with 275 million D marks for 1951. Germany's share of the international tourist trade is still comparatively small and strong efforts are being made to increase it. Numerous organizations have been established to promote vacations inside Germany for workers and other employees. In 1950, 11·2 million tourists were registered, spending a total of 36·9 million days on vacation. In 1951, 14·3 million tourists spent approximately 47·3 million days in Germany and 1·5 million of these were foreigners, an increase of 50 per cent. On the basis of these estimates the prewar level of tourist income appears to have been achieved. The capacity of German hotels at present is approximately 360 thousand beds, as compared with 186 thousand immediately after the war and 485 thousand prewar—Bonn, December 23.

Brazil's Free Exchange Bill

EFFECTIVE February 21, 1953, an official free exchange market for certain transactions will be created in Brazil. This action follows the signature by President Vargas of a free exchange bill.

The fundamental provisions of the new bill are:

1. The official exchange rate based on the par value of the cruzeiro according to the International Monetary Fund regulations (currently 5·3 cents Canadian) is to apply to the following:

(*a*) Ordinary export and import transactions, including freight, insurance, and banking charges;

(*b*) Government services, including those of companies in which a majority of the voting stock is government-owned;

(*c*) Loans, credits and financing of undoubted interest to the Brazilian economy, obtained abroad and registered with the Council of the Superintendency of Currency and Credit;

(*d*) Remittance of profits on foreign capital registered with the Council of the Superintendency of Currency and Credit in those cases where they are considered of special interest to the Brazilian economy because they are intended for:

(i) projects for developing regions under unfavourable climatic conditions or under-developed areas,

(ii) the installation or development of public utility services in the power, communications or transportation fields provided they conform with the rates fixed by the Government.

Foreign Exchange Transfers

Article 5 covers the transfers of foreign exchange at the official rate in payment of interest and profits on capital invested in Brazil mentioned in Article 1. Under clause (*c*) interest is limited to 8 per cent of the registered capital, and under clause (*d*) earnings are limited to 10 per cent of registered capital. All other profits will be transferred at the free rate so that the dollar yields will be based on the value of the free cruzeiro for those investments.

All transactions not included in the above provisions will be carried out at the free exchange rate except on recommendation of the Council of Superintendency of Currency and Credit in cases of exceptional gravity.

The following transactions are listed as illustrations of cases in which the free rate will normally apply:

(I) The export of national products complying with the following conditions:

(*a*) Those which do not amount separately to more than 4 per cent of the average annual value of Brazilian exports, (excluding the exportation of products already acquired by the Government) and

(b) Which cannot, because of their cost structure, be exported at competitive world market prices if sold at the official exchange rate.

(II) The import of goods which are not specifically licensed for payment at the official rate. By this provision Brazilians should be able to import consumer goods at the free rate which have been prohibited import under the recent stringent licensing policy, provided they are willing to pay the difference in cruzeiros between the official and free rates.

Although Brazil has enjoyed extraordinarily favourable terms of trade in the post-Korean period chiefly because of continuing high world coffee prices, the backlog of commercial debts grew alarmingly until stringent import licensing was adopted in 1952.

Solutions Suggested

Various solutions to this trade imbalance other than the establishment of a free exchange market had been advocated by financial authorities and importers and exporters during the past year. In November, 1952, the Director of the Export-Import Department (CEXIM) of the Bank of Brazil had stated that the reinstatement of barter trade was contemplated, but the new free exchange bill now expressly rules out barter transactions. Another measure suggested chiefly to restore confidence in the value of the cruzeiro was the reinstitution of the "conta grafica system" under which the Brazilian Government would assume the risk between the time of making cruzeiro deposits and the closing of the foreign exchange for payment of imports. This need is, of course, eliminated by the definite establishment of a free rate for certain approved transactions and the firm decision to maintain the official rate established by the par value of the cruzeiro.

The Canadian balance of trade with Brazil has been remarkably favourable in spite of the exchange situation. For eight months of 1952, imports from Brazil totalled $30,078,000. Canadian exports to Brazil reached $65,528,000 in October and $71,562,000 in November, maintaining Brazil's position as the sixth largest market for Canadian exports in world trade and largest Latin American market in 1952.

TRANSPORTATION

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

TRADE AND TARIFF REGULATIONS

INDIA

Import Control Policy—The usual half-yearly announcement on the changes in India's import control policy was made by the Government of India on December 31, 1952. Certain procedural changes in the rules and regulations to be observed by importers, published in the *Import Trade Control Handbook 1952,* have also been effected.

In formulating the new policy for the six-month period January to June 1953, the Government of India states that full account has been taken of the views expressed at the meeting of the Import Advisory Council held on December 3, 1952, and that the numerous suggestions received from the trade and from industry have been considered. Over a large field, a stable policy has been maintained and the quotas in force during 1952 have been repeated. Open General Licence No. 24 which was issued on June 16, 1952, remains valid up to March 31, 1953.

Some improvement in the foreign exchange position has made possible a liberalization of the provision for raw materials and machinery, and other essential items, such as drugs and medicines, milk food, etc. Though most relaxations affect imports from soft currency countries, imports will now be permitted from dollar countries of certain commodities for which licences were not being issued under the program announced last June. Included in this category are the following (the quotas shown for imports from dollar and/or soft currency sources are based on half of the importer's best year's imports): lightning arresters and fuse cut-outs, 100 per cent; dyes derived from coal-tar and coal-tar derivatives used in any dyeing process, 75 per cent; powdered milk containing not less than 18 per cent cream intended for infant feeding, 20 per cent; cauliflower seeds, 100 per cent; canned fish, 20 per cent; car polish, 20 per cent; hardware, ironmongery and tools, unspecified kinds, excluding machine tools and agricultural implements, 20 per cent; accounting and statistical type machines, 100 per cent; rough blanks for lenses, 100 per cent. For drugs and medicines, the quota has been increased from 50 per cent to 75 per cent; for motor vehicle parts from 75 per cent to 100 per cent; and for parts of printing and lithographic machines and accessories, from 50 per cent to 100 per cent.

Import restrictions have been tightened, on the ground of improvement in internal availability, in only a few cases. These include brake fluid for cars, giant and other tires and tubes (other than tractor type), and vulcanized fibre in rods and tubes, none of which will be licensable from the dollar area.

The import policy for a few items has been held over for announcement as soon as the full assessment of all the factors involved has been made—Bombay, January 14.

Import Controls on Dairy Products—The United States Department of Agriculture has announced the following changes in the import controls on dairy products, to be effective as of December 30:

- Establishment of import restrictions on dried whole milk, dried buttermilk, and dried cream.
- Removal of import restrictions on casein and on processed cheeses made from Edam or Gouda cheese.
- An increase of 500,000 pounds in the basic annual quotas for Blue Mold cheese.

The new restrictions establish import quotas for the period from December 30, 1952, to March 31, 1953, of 6,500,000 pounds of dried whole milk, of 2,150,000 pounds of dried buttermilk, and of 35,000 pounds of dried cream.

These items are in addition to the following commodities the imports of which have been prohibited or limited under authority of Section 104 of the Defense Production Act: cheese such as Cheddar, Edam and Gouda, processed cheeses made from Cheddar or Blue Mold, and Italian varieties made from cow's milk; butter; buttermilk; malted milk compounds; nonfat dry milk solids; flaxseed; linseed oil; peanuts ;peanut oil, and rice—Washington, January 8.

Tariff Commission Hearing—A public hearing has been ordered by the United States Tariff Commission to be held in the Hearing Room, Tariff Commission Building, Washington, beginning at 10 a.m. on January 27, 1953, in the investigation with respect to pregnant mares' urine and estrogenic substances obtained or derived therefrom, under Section 7 of the Trade Agreements Extension Act of 1951.

Those wishing to appear, to produce evidence, and to be heard at the public hearing should file their request in writing with the Secretary, United States Tariff Commission, Washington 25, D.C., in advance of the date of the hearing—Washington, January 6.

(Section 7 of the Trade Agreements Extension Act of 1951 requires the U.S. Tariff Commission to make an investigation, upon application of an American industry, to determine whether any product upon which a concession has been granted under a trade agreement is being imported in such quantities as to cause serious injury to the American industry—Editor.)

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Foreign Commercial Representatives in Canada

ARGENTINA
Ottawa—Economic Attache, Embassy of Argentina, 193 Sparks Street.
Montreal—Consul General of Argentina, 1111 Beaver Hall Hill.

AUSTRALIA
Ottawa—Australian Government Trade Commissioner, 100 Sparks Street.
Vancouver—Australian Government Trade Commissioner, 643 Hornby Street.

AUSTRIA
Ottawa—Charge d'Affaires a.i., Legation of Austria, 136 Queen Street.
Montreal—Austrian Trade Delegate, 1507 Crescent Street.

BELGIUM
Montreal—Consul General of Belgium, 709 Sun Life Building.

BOLIVIA
Montreal—Consul General of Bolivia, 5612 Canterbury Avenue.

BRAZIL
Montreal—Commercial Attache, Brazilian Government Trade Bureau, Room 302, 400 St. James Street West.

BRITISH GUIANA
Montreal—Trade Commissioner for British Guiana, 37 Board of Trade Bldg.

BRITISH WEST INDIES and THE BAHAMAS
Montreal—Trade Commissioner for the British West Indies and The Bahamas, 37 Board of Trade Bldg.

CHILE
Montreal—Consul General of Chile, 1410 Stanley Street.

CHINA
Ottawa—Commercial Attache, Embassy of the Republic of China, 201 Wurtemburg St.
Vancouver—Consul General of China, 510 Hastings Street West.

COLOMBIA
Montreal—Consul General of Colombia, 3757 Wilson Avenue, Notre Dame de Grace.
Vancouver—Consul of Colombia, 550 Beatty Street.

COSTA RICA
Montreal—Consul General of Costa Rica, 434 Elm Avenue, Westmount.

CUBA
Ottawa—Commercial Attache, Embassy of Cuba, 400 Holland Ave.

CZECHOSLOVAKIA
Montreal—Commercial Attache of Czechoslovakia, 1255 Phillips Sq.

DENMARK
Ottawa—Commercial Counsellor, Royal Danish Legation, 451 Daly Ave.
Montreal—Consul, Royal Danish Consulate, Room 815, Keefer Building, 1440 St. Catherine Street West.

DOMINICAN REPUBLIC
Ottawa—Consul General of the Dominican Republic, 105 Cameron Avenue.
Montreal—Consul General of the Dominican Republic, Apt. 4, 3201 Forest Hill Ave.

ECUADOR
Montreal—Consul General of Ecuador, 59 Belvedere Road, Westmount.

EGYPT
Ottawa—Consul, Royal Egyptian Consulate General, Room 616, Chateau Laurier.

EL SALVADOR
Montreal—Consul General of El Salvador, Apt. 14, 1452 Bishop Street.

FINLAND
Ottawa—Second Secretary, Legation of Finland, 140 Wellington Street.

FRANCE
Ottawa—Commerical Attache, Embassy of France, 464 Wilbrod Street.
Montreal—Commercial Attache of France, 610 St. James St. West.
Toronto—Commercial Attache of France, 185 Bay Street.

GERMANY
Ottawa—First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 580 Chapel Street.
Montreal—Consul of the Federal Republic of Germany, 1529 McGregor Street.

GREECE
Ottawa—Commercial Attache, Royal Greek Embassy, Suite 110, Chateau Laurier.

GUATEMALA
Montreal—Consul General of Guatemala, 401 Metcalfe Ave., Westmount.

HAITI
Montreal—Consul of Haiti, 1405 Bishop Street.

HONDURAS
Montreal—Consul General of Honduras, Suite 2, 1448 Sherbrooke Street West.

INDIA
Ottawa—Second Secretary, Office of High Commissioner for India, 200 MacLaren St.

IRELAND
Ottawa—Secretary, Embassy of Ireland, 140 Wellington Street.

ISRAEL
Montreal—Consul General of Israel, Bank of Montreal Bldg., 1260 University Street.

ITALY
Ottawa—Commercial Attache, Embassy of Italy, 133 Sparks Street.

JAPAN
Ottawa—First Secretary (Commercial), Embassy of Japan, Room 701, Metcalfe Bldg.

LEBANON
Ottawa—Consul General of Lebanon, 199 Wurtemburg Street.
LUXEMBOURG
Montreal—Consul General of Luxembourg, 4832 Western Avenue.
MEXICO
Montreal—Consul General of Mexico, Room 506, Castle Bldg.
MONACO
Montreal—Consul of Monaco, 5 St. James Street East.
NETHERLANDS
Ottawa—Commercial Counsellor, Embassy of the Netherlands, 168 Laurier Ave. East.
NEW ZEALAND
Montreal—New Zealand Trade Commissioner, Room 609, Sun Life Building.
NORWAY
Ottawa—Secretary, Norwegian Legation, 140 Wellington Street.
Montreal—Vice-Consul of Norway, 1410 Stanley Street.
PAKISTAN
Ottawa—Commercial Attache to the Pakistan High Commissioner, 499 Wilbrod St.
PERU
Ottawa—Secretary, Embassy of Peru, 539 Island Park Drive.
POLAND
Ottawa—Acting Commercial Attache of the Polish Legation, 183 Carling Ave.
PORTUGAL
Montreal—Consul General of Portugal, 1499 Bishop Street.
SPAIN
Montreal—Consul of Spain, Commercial Office, 451 Mount Pleasant Ave.
SWEDEN
Ottawa—Attache, Royal Legation of Sweden, 720 Manor Road, Rockcliffe Park.
Montreal—Commercial Secretary, Royal Consulate General of Sweden, 1511 Bishop St.
SWITZERLAND
Ottawa—Secretary, Swiss Legation, 5 Marlborough Avenue.
Montreal—Consul General of Switzerland, 1572 McGregor Street.
Toronto—Consul of Switzerland, 159 Bay Street.
Vancouver—Acting Consul of Switzerland, 402 West Pender Street.
Winnipeg—Acting Consul of Switzerland, 210 Mitchell-Copp Bldg., 334 Portage Avenue.
THAILAND
Toronto—Consul of Thailand, 200 Bay Street.
Vancouver—Consul of Thailand, 5416 Marguerite Street.
UNION OF SOUTH AFRICA
Ottawa—Commercial Secretary, Office of the High Commissioner for the Union of South Africa, 15 Sussex Street.
UNION OF SOVIET SOCIALIST REPUBLICS
Ottawa—Representative of the Commercial Counsellor, Embassy of the USSR, 285 Charlotte Street.
UNITED KINGDOM
Ottawa—United Kingdom Senior Trade Commissioner and Economic Adviser to the High Commissioner, 56 Sparks Street.
Edmonton—United Kingdom Trade Commissioner for Alberta, 10053 Jasper Avenue.
Montreal—United Kingdom Trade Commissioner for Quebec, United Kingdom Trade Commissioner for the Maritimes and Newfoundland, 1111 Beaver Hall Hill.
Toronto—United Kingdom Trade Commissioner for Ontario, 67 Yonge St.
Vancouver—United Kingdom Trade Commissioner for British Columbia, 850 West Hastings Street.
Winnipeg—United Kingdom Trade Commissioner for Manitoba and Saskatchewan, 403 Royal Bank Building.
UNITED STATES
Ottawa—Commercial Attache, Embassy of the United States, 100 Wellington St.
Calgary—Vice-Consul of the United States, Toronto General Trusts Bldg.
Edmonton—Consul of the United States, 214 Empire Block.
Halifax—Consul General of the United States, Bank of Nova Scotia Bldg.
Hamilton—Consul of the United States, 42 James Street South.
Montreal—Consul General of the United States, 1410 Stanley Street.
Niagara Falls—Consul of the United States, Newman Hill, Falls Street.
Quebec—Consul of the United States, 65 St. Ann Street.
Regina—Consul of the United States, 22-23 Government Insurance Bldg.
Saint John—Consul of the United States, 204 Union Street.
St. John's—Consul General of the United States, Commercial Chambers Bldg., 197-199 Water Street.
Toronto—Consul General of the United States, 302 Bay Street.
Vancouver—Consul General of the United States, 355 Burrard Street.
Victoria—Consul of the United States, 805 Government Street.
Windsor—Consul of the United States, Guaranty Trust Bldg.
Winnipeg—Consul General of the United States, 402 Tribune Bldg.
URUGUAY
Ottawa—Charge d'Affaires a.i., Legation of Uruguay, 36 Marlborough Avenue.
VENEZUELA
Montreal—Consul General of Venezuela, 2052 St. Catherine Street West.
YUGOSLAVIA
Ottawa—Embassy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalents multiply by 1·0296.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Jan. 8*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1295	
		Basic buying	·1942	(1)
		Preferential selling	·1942	
		Basic selling	·1295	
		Free	·0699	
Austria	Schilling		·0455	
Australia	Pound		2·1830	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01935	
Bolivia	Boliviano	Official	·01619	tax 5% (1)
		Differential	·00966	tax 3% (2)
British West Indies	Dollar		·5685	(3)
	Pound		2·7287	(4)
	Dollar	Brit. Honduras	·6822	
Brazil	Cruzeiro		·0525	tax 8% (2)
Burma	Kyat		·2047	
Ceylon	Rupee		·2047	
Chile	Peso	Official	·03128	(1)
		Commercial	·01617	
		Free	·00830	
Colombia	Peso	Basic	·3885	tax 3% (2)
		Coffee buying	·4249	
Costa Rica	Colon	Official	·1734	(5)
		Free	·1454	*Oct. 31
Cuba	Peso		·9712	tax 2%
Czechoslovakia	Koruna		·0194	
Denmark	Krone		·1406	
Dominican Republic	Peso		·9712	
Ecuador	Sucre	Official	·06474	(6)
		Free	·05604	
Egypt	Pound		2·7890	
Fiji	Pound		2·4583	
Finland	Markka		·00422	
France	Franc		·00278	
French Africa	Franc		·00555	
French Pacific	Franc		·01527	
Germany	D Mark		·2312	
Greece	Drachma		·000065	
Guatemala	Quetzal		·9712	
Haiti	Gourde		·1942	
Honduras	Lempira		·4856	
Hong Kong	Dollar	Free	·1611	*Dec. 31
Iceland	Krona	Official	·05964	
		Special buying	·04586	
		Special selling	·03726	
India	Rupee		·2047	
Indonesia	Rupiah	Basic	·08520	
		With Surcharge I	·04260	(7)
		With Surcharge II	·02840	
		Dollar certificate	·00185	*Nov. 17

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Jan. 8	(See below) Notes
Iran	Rial	Certificate I	·011246	*Oct. 31
		Certificate II	·011149	*Oct. 31
Iraq	Dinar		2·7287	
Ireland	Pound		2·7287	
Israel	Pound	Basic	2·7195	
		Special	1·3597	
		Investment	·9712	
Italy	Lira		·00156	
Japan	Yen		·00270	
Lebanon	Pound	Free	·2726	*
Mexico	Peso		·1123	
Netherlands	Guilder		·2555	
Netherlands Antilles	Guilder		·5150	
New Zealand	Pound		2·7287	
Nicaragua	Cordoba	Effective buying	·1471	(8)
		Official Selling	·1378	
		With Surcharge I	·1207	
		With Surcharge II	·0966	
Norway	Krone		·1360	
Pakistan	Rupee		·2936	
Panama	Balboa		·9712	
Paraguay	Guarani	Basic	·06474	(1)
		With Surcharge I	·04625	(9)
		With Surcharge II	·03237	
Peru	Sol	Certificate	·0623	
Philippines	Peso		·4856	tax 17% (2)
Portugal	Escudo		·03385	
El Salvador	Colon		·3885	
Singapore & Malaya	Straits dollar		·3184	
South Africa (Union of)	Pound		2·7287	
Spain & Dependencies	Peseta	Basic buying	·04435	
		Basic selling	·08656	(1)
		†Basic commercial selling	·05913	
		Free	·02450	
Sweden	Krona		·1877	
Switzerland	Franc		·2265	
Syria	Pound		·2716	*Nov. 17
Thailand	Baht	Official	·07770	(1)
		Free	·05757	*Oct. 31
Turkey	Lira		·3469	
United Kingdom	Pound		2·7287	
United States	Dollar		·97125	
Uruguay	Peso	Official	·6394	
		Basic buying	·5456	
		Special buying	·4133	(1)
		Basic selling	·5112	
		Special selling	·3964	
Venezuela	Bolivar		·2899	(10)
Yugoslavia	Dinar		·00324	

* Latest available quotation date.

† Since the "Basic selling" rate is for State purchases only, we are now also quoting the "Basic commercial selling" rate.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective rate for all Indonesian exports to dollar area is basic rate plus 70 per cent of dollar certificate rate. Cost of imports is increased by full amount of dollar certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to all Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11.

foreign trade

JANUARY 24, 1953

Japan's Silk Trade Revives (page 2)

foreign trade

L. 13 OTTAWA, JANUARY 24, 1953 NO. 317

/ER . . . This Japanese
ry woman is sorting out
nealthy silkworms in a
al batch. Because raw
rices are rising, farmers
expanding cocoon pro-
on. For a story on the
n in Japan's silk exports,
age 2.

Published weekly by the Department of Trade and Commerce, under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

Japan

The Silk Trade Revives

Silk holds fifth place among Japanese exports, though it has not regained its prewar status. The year 1952 saw exports rise and good prices boost cocoon production.

TOKYO—Before the war, silk dominated Japan's export trade. Principal customer was the United States, which bought 80 to 90 per cent of all overseas silk shipments. Then came the development of synthetic fibres and postwar exports of silk dwindled to a mere three per cent of the former high. Increased production and exports have currently boosted raw silk and today it ranks as Japan's fifth export and threatens to supplant fish, which barely keeps fourth place.

Silk's Relative Importance

During the first quarter of 1952, Japan's total exports averaged about $118 million a month. Silk exports, at over $2·5 million, accounted for only 2·2 per cent of the total. From March to July Japan's exports declined but in August the total monthly figure rose slightly to $92·3 million. In contrast to this general decline in exports, increased shipments of silk in August accounted for 4·7 per cent of total exports. The comparable figure for fish, Japan's fourth most important export commodity, was 4·8 per cent. In July, fish briefly replaced rayon fabrics in third place, but both in turn are far outranked by cotton fabrics and iron and steel products.

Production Increasing

Estimated production of raw silk in 1952 of 202 thousand bales cannot be compared with the 1930-34 average of over 700 thousand bales. But contrast this with the 1946 output of 88,600 bales, and you will see that the industry is recovering at a more rapid pace than the Japanese expected. Rehabilitation of plantations, new plantations, and expansion of mulberry fields, started a number of years ago, are beginning to show results. This year's high raw silk prices induced silkworm raisers to boost production of cocoons an estimated 16·5 million lb. over last year's output. Farmers also found it possible and profitable to increase cocoon production per acre for the best yield they have obtained since the war.

Triangular Trade and Exports

The United States is Japan's most important market for silk, followed by France, the United Kingdom, India, French Indo-China, and Switzerland. Canadian imports in 1951 totalled only thirty bales. From March to July of this year shipments, ostensibly to the United Kingdom

and the Netherlands, rose to abnormal heights because of what is termed in Japan the "triangular trade formula", with United States mills the ultimate consignee.

Because this trade deprived Japan's exporters of profits and the opportunity of earning dollar exchange, restrictions on exports of silk to the United Kingdom and the Netherlands via the Panama Canal were imposed in mid-year. By these restrictions Japanese trade officials and exchange controllers seem to have denied shrewd Dutch traders further profits on the margin between open market sterling and official exchange pounds, as well as normal trading profits. Incentive export bonuses on sales to the United States, currently favoured in Europe, also contributed to the profits of this triangular trade.

The Japan Silk Reelers Association says that, according to a recent survey, United States imports of raw silk for the period January to October of this year totalled 41,634 bales as opposed to about 27 thousand bales for the same period last year. Of the 41,634 bales, only 24,650 bales were imported directly from Yokohama or Kobe; the remainder (16,984 bales) went through the agency of a third country. In 1950 only 180 bales of silk found their way to the United States through the "triangular trade formula". The survey also revealed that 92 per cent of all raw silk imported into the U.S. from January to October 1952 originated in Japan.

Prices Are High

Raw silk prices have fluctuated widely over the past quarter century. However, during the American occupation they departed from all semblance of the prewar pattern and became a leader in Japan's postwar inflation. From the extreme low of Y390 per bale* in 1932, prices rose to Y2,410 per bale in 1939. Data for the years 1943 to 1948 are not available but in February of 1951 the price per bale had skyrocketed to Y305,000 (20/22 Denier Grade A). It sank to about Y200,000 in June of the same year. Since late last spring, prices have responded to increasing domestic sales and export demand and finally reached the official ceiling price of Y240,000 per bale in July. Since then prices have remained unchanged, clinging to the ceiling price. They are expected to maintain the high level for some time to come. Recently the Japanese Government announced that exporters of certain important products would be allowed to retain a higher proportion of foreign currency earned by their dollar exports. Raw silk and silk fabrics were included among these products.

Program to Stabilize Prices

Under the Raw Silk Price Stabilization Law maximum and minimum prices are fixed each year, effective from June until the following May. Through open market operations of buying at the minimum and selling stocks at the maximum price, the Government hopes to stabilize raw silk prices. But as the law was enacted in January 1952 and prices have since remained above the minimum (Y180,000) the Government has yet to buy any stocks to cope with the present high prices which are straining at the ceiling level. So acute is the delivery situation on the Yokohama Raw Silk Exchange that at the end of October and November not a

* One yen equals $0·00269 Canadian.

67327—2

single bale of raw silk was delivered by sellers against their sales contracts. Buyers finally compromised with the rather unusual solution of settling "out-of-market".

Meantime, silk is an extremely attractive proposition not only to exporters and importers, and as a source of foreign exchange, but also to international carriers. Prewar, silk was a lucrative business catered to by fast luxury liners and special transcontinental express trains. Today keenly competitive international airlines advertise widely expedited customs clearance, specific commodity rates, special handling and all-cargo flights, to attract the expanding trade.

—R. F. RENWICK
Assistant Commercial Secretary for Canada

Brazil Blueprints an Industrial Future

The joint Brazilian-U.S. Economic Development Commission has approved projects costing over US$417 million; has obtained loans for eight of these; expects aid with seven more.

RIO DE JANEIRO—The Joint Brazilian-United States Economic Development Commission has completed its first year of activity and has prepared and approved fifteen important projects, involving a proposed expenditure of US$176,660,000 in foreign currency and the equivalent of US$241,600,000 in local currency.

The Commission functions under the United States Point Four Program and is composed of topflight Brazilian and U.S. technicians. It is charged with the difficult task of launching an ambitious program of economic development, with special emphasis on basic services like power and transportation, in areas where the chances of large-scale private investment are small.

The Export-Import Bank and the International Bank for Reconstruction and Development are financing the foreign exchange requirements of projects judged to be technically sound. Funds to cover local expenditures will be raised by a special surtax on incomes under the Lafer Plan.

The newly created National Economic Development Bank (Banco Nacional de Desenvolvimento Economico) in Rio de Janeiro will administer both foreign and domestic funds and supervise their use. The Development Bank will work with the Joint Commission and eventually will take over all the functions of the Commission when it winds up its activities, probably in 1953. The executives of the Bank at present are Brazilian members of the Commission.

Loans totalling US$118,760,000 from the Export-Import Bank and the International Bank have been announced for eight of the fifteen projects already approved by the President of the Republic. These are:

From the Export-Import Bank for:

- *Santos-Jundiaí Railroad,* linking the important port of Santos with the city of São Paulo and the interior of the State, US$8·5 million for new brakes, automatic couplings and other equipment, purchase of 1,100 freight cars with a total capacity of 48 thousand tons.

- *Paulista Railroad,* with a network extending from Jundiaí far into the State of São Paulo, US$6·8 million for new brakes and automatic couplings and other equipment, and purchase of 605 new cars.

- *American and foreign power subsidiaries in Brazil,* US$41·1 million for expansion of potential of power plants in eight states by 125 thousand k.w.

- *State of Minas Gerais,* US$5 million to buy agricultural equipment, mostly tractors.

- *Federal Ministry of Agriculture,* US$18 million for the purchase of agricultural equipment for resale to Brazilian farmers.

- *Barbará Metallurgical Company,* US$1·86 million to increase the production of cast iron pipe from 15 to 25 thousand tons in the company's Minas Gerais plant. The pipe will be used for expansion of water supply systems throughout Brazil.

From the International Bank for:

- *Central do Brasil Railroad,* linking Brazil's two principal cities, São Paulo and Rio de Janeiro, US$12·5 million for improvement of ties, roadbed, heavier capacity tracks, repair and maintenance shop, freight yards at port of Rio de Janeiro, and acquisition of 2,265 freight cars.

- *State of Rio Grande do Sul Power Commission,* US$25 million for continuing the program already begun by the State Government under which four power stations have been built. Second step calls for eight more stations with a total capacity of 137,200 k.w.

Loans Expected for:

The other seven projects, on which loans are expected to be granted shortly, total US$57,900,000. They are:

- *Paraná-Santa Catarina Railroad,* US$16·9 million for improvement of tracks, roadbed, reinforcement of bridges, repair and maintenance facilities, 20 diesel locomotives and 1,200 freight cars.

- *Salto Grande Hydro-Electric Company,* US$7·7 million for a 60 thousand k.w. power plant and transmission lines which will supply

additional power in a region of the State of São Paulo which is inadequately served, and will give additional facilities to five utility companies and permit the electrification of portions of the Sorocabana Railroad. Two generators are to go into use by 1954, and two more by 1956.

- *Rio de Janeiro State Highway Department,* US$3 million for highway maintenance equipment.

- *Sáo Francisco Hydro-Electric Company,* US$8·5 million to complete the first stage of the Paulo Afonso development and to install the third 60 thousand k.w. generator, with its additional necessary substation capacity, not later than 1955.

- *Itutinga, Alto Rio Grande Electric Company* in the State of Minas Gerais, US$5·3 million for acquisition of two generators, each 12 thousand k.w.; main and secondary transmission lines; and main sub-stations.

- *National Electric Company,* US$1·5 million to increase potential by addition of 9,600 k.w. in the Avanhandava Power Plant on the Tietê River in the State of São Paulo.

- *The National Alkali Company,* US$15 million for construction of a soda ash and caustic soda plant at Cabo Frio in the State of Rio de Janeiro, where there are natural deposits of lime and salt.

All of these projects, with the exception of the National Electric Company, are being considered by the International Bank.

Additional projects in the final stages of study by the Commission involve foreign currency financing estimated at over US$100 million and include the Central do Brasil Railroad (suburban network); four state-owned railroads; the City of São Paulo Passenger Transport Company; two agricultural projects; re-equipping the ports of Rio de Janeiro and Santos; and the acquisition of eight dredges for maintenance of the principal ports. The Commission has established no special priorities for any of these projects, which are all under study, but will examine them as the necessary documents become available.

Other projects in a less advanced stage involve the remaining railroads (all of minor importance), more power projects, new ships for navigation companies, and aid to new industries.

—T. F. Harris
Assistant Commercial Secretary for Canada

SEA WATER FOR DRINKING?

How to desalt brackish water and make it fit for drinking has been occupying the attention of one section of the Netherlands Central Council for Applied Scientific Research. The results which their scientists have achieved have led OEEC in Paris to accept the problem of the desalting of sea water and brackish water as a subject for international research. The Netherlands will continue to direct this project, which has special importance for the whole water economy of their country.

United Kingdom

Prefabs for the Canadian Market

British makers of prefabricated houses are seeking markets in Canada, and prototypes of several designs will soon be erected here. This article describes several types of houses being developed to suit Canadian conditions.

LONDON—Several months ago the Board of Trade circulated a report which stressed that Canada was in need of houses, and that there was an excellent opportunity for U.K. firms making all kinds of prefabricated buildings to break into the Canadian market. (Incidentally, the Board took no responsibility for the report.)

In the last few years, British exports of prefabricated houses to Australia, New Zealand and Africa have proved very worthwhile. But when the recent Australian austerity measures went into effect, export of these houses from the United Kingdom ceased abruptly. Now, as the result of the report, every manufacturer who had been shipping to Australia, or hoped to, saw in the Canadian market an opportunity to maintain his exports.

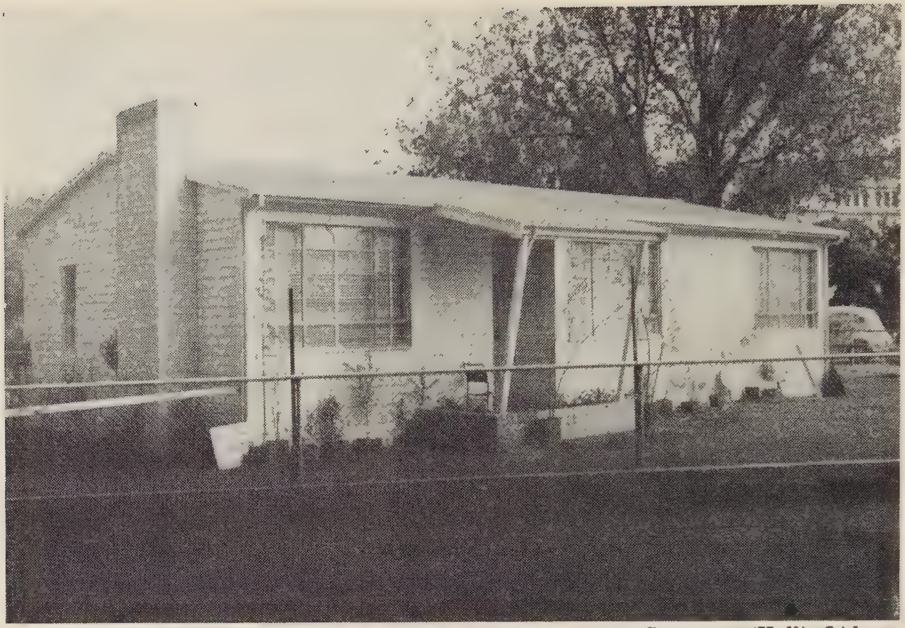
Several firms have gone to considerable trouble and have spent a good deal of money to explore the Canadian market and to design buildings suited to it. In the near future, several different types of buildings will be erected in Canada as prototypes and those interested may examine them. Among these are 24 already ordered for Gander airport to alleviate the house shortage there and to experiment with the possibilities of erecting this type of house economically in Canada. Other firms have received permission to erect prototypes at Ajax, Ontario.

The following is a short description of the types of houses that various firms and associations have told this office that they wish to market in Canada.

House A

The main principle of construction is stressed skin plywood, with the walls approximately 3½ inches thick overall. It will be composed of one sheet of plywood inside and outside for the whole length of the wall. Each wall will be shipped as one piece. The sheets of plywood are scarfe jointed in the factory before fabrication. The sheets comprising the exterior and interior of one complete wall will be glued to a light frame with synthetic resin glues. The plywood is held to the frame, pending the setting of the glue, by nailing to each frame member at 6-inch centres. The plywood itself will be resin-bonded three-ply, constructed of any of the various types of the cheaper African hardwoods available.

67327—3



—Spooners (Hull) Ltd.

House H (see page 11) uses panels of wood, plus weatherboarding.

Floor, ceiling and roof sections will probably all be of a similar type of construction. Floor sections will, of necessity, be a little thicker overall—probably up to 6 inches. This will give them sufficient rigidity so that they can be supported only on party walls, outside walls and partitions. Doors and windows will be framed in the factory into the full wall section as required. Four prototypes of this will be erected at Ajax.

Transportation and erection require a crane for handling these large wall sections. The exterior of the building, when completed, is to be sprayed with a rough caste paint but any other type of paint would do. No battens or any other joining strips are necessary to cover joints between sections, thus leaving a perfectly clear surface both inside and out. Exterior walls are to be filled with glass wool for insulation.

House B

This structure features a lightweight metal frame which forms the supporting structure for a roof surface—in other words, a self-supporting roof without the necessity of using external walls or any other part of the building for support.

With the roof structure in place and covered with any roofing available locally, the walls, partitions, etc., may be filled in with any suitable material. Tubular steel columns are set in concrete foundations. These columns support welded tubular steel roof trusses and purlins, with roof sheeting in either corrugated asbestos cement, aluminum or galvanized iron. The ceiling is either of corrugated asbestos cement fixed to tubular purlins, or of fibre-board sheets supported on light alloy extrusions.

The manufacturers believe that it is seldom economical to export a completely fabricated structure because the varied requirements of different countries make mass production impossible. They feel that the

—Lincolnshire Echo

House J (see page 11) was designed especially for the Canadian market.

use of these units will result in a far more permanent and satisfactory building than is possible with other methods. They also feel that it will save a large percentage of the heavy freight charges which have always limited the sales of prefabricated structures at great distances from the producing factory.

House C

This system of construction employs a wall panel comprised of two facing sheets of $\frac{3}{16}$ inch asbestos cement, set $1\frac{3}{4}$ inches apart. The cavity between is filled with a chemically treated mixture of wood wool and cement.

By a special manufacturing process, the core becomes integrally bonded to the inner faces of the sheets but retains a cellular construction. This composite unit is said to be highly resistant to impact, light, strong, and easy to transport and erect. It also possesses high structural strength and thermo-insulating qualities.

House D

This is a comparatively simple type using 4 x 8 panels for walls, floors and roof sections. The wall sections are framed on 2 x 2 studding with hardboard interior. The exterior is covered with a bitumen-bonded felt which is in turn covered with hardboard, weather board, asbestos sheeting or other covering. The panels are all tongued and grooved to fit one to another and are supplied with necessary cover moulds and corner posts. A standard bungalow provides a hall, four rooms, a bathroom, and food store. It is delivered crated in easily erected parts with

67327—$3\frac{1}{2}$

all necessary bolts, screws, fittings, wiring and plumbing. The house as delivered is complete except for foundations, oversite concrete, damp proof course, and permanent roof covering.

House E

This house uses a complete lightweight steel frame, factory-manufactured in jigs and built up of cold formed sections with open lattice hydraulically riveted. The component parts are dipped in a paint solution after assembly to prevent corrosion. The frame is then erected on a rag-bolted steel base plate which acts as a jig for the whole building. The exterior cladding may be in any material. The usual one in the United Kingdom is of $4\frac{1}{2}$ inch brick, separated from the steel work with "Denso" insulating and dampproof strip. But any type of external finish —stucco, roughcast, pebbledash, etc.—can be applied in part or to the whole elevation.

The building is designed to use pitchmastic for all ground floors and this is applied to the concrete raft supporting the building. The first floor is constructed of $1\frac{1}{4}$ inch tongued and grooved flooring, screwed to the steel beams with "Denso" insulating strips between. The ceilings are of $\frac{3}{8}$ inch plasterboard fixed to wooden grounds screwed to the underside of steel floor beams.

The roof is insulated immediately above the ceiling joists with bitumen bonded glass wool insulation. The roof covering then may be of any type of material, such as roof tiles fixed to $1\frac{1}{4}$ x $1\frac{1}{4}$ inch tile battens.

The manufacturers say that in a house of slightly over 1,000 sq. ft. there are 2·127 tons of steel which require $5\frac{1}{2}$ hours for six men to erect. The total number of manhours per house is said to be 1,500, including all trades such as plasterers, plumbers, electricians, etc.

House F

This is an aluminum house and not the product of any one manufacturer. Some 16 firms supply the various components and another firm assembles, packs and ships it.

The system of construction employs a light aluminum frame covered with aluminum siding outside. Where wooden floors, wallboards or such material have to be fixed to aluminum members, this is done by affixing a wooden nailing strip to the moulded members with self-tapping screws. Internal plasterboard panels delivered cut to size are fixed to the vertical aluminum studding with a Bostick adhesive applied to the edges of the studding. The plasterboard panels are then pressed into position and held by the adhesive. Ceiling panels are fixed by self-tapping screws. Partitions are made from Stramit compressed strawboard, paper-covered and fitted into wooden sections which lock into one another. They are provided with skirting and cornice rails fixed respectively to the floor and to the ceiling bearers.

House G

This type has been exported to Australia in considerable numbers, and it is now being redesigned for the Canadian market. Accurate details of the method of construction are not available. The principle employed, however, is a standard-sized panel of wooden framework with

vertical wooden siding on the exterior and plasterboard or hardboard on the interior. The roof construction is in the form of prefabricated folding trusses which, in the houses shipped to Australia, were covered with aluminum sheets. The manufacturers maintain that their system of prefabrication makes possible a wide variation in design and layout and thermo-insulation.

House H

Makers of this house are redesigning it for Canadian requirements. Details of their methods of construction are not available but they will employ panels framed up of wood and with weatherboarding or other suitable material on the exterior and plasterboard or hardwood on the interior, suitably insulated.

House I

This one is manufactured in Austria, and the wall unit consists of vertical boarding on the exterior placed on a timber-framed section with insulation between and, on the interior of the section, a ½ inch timber boarding covered with 3⁄16 inch hardboard lining. Sections are joined together by grooves on the edges of each panel and filled when joined together by ⅞ x ⅞ inch spline.

The interior of each panel is again insulated by two baffle walls, one of bituminous felt and the other of therm foil, separated by approximately an inch and so placed within the panel that they are about one inch from the exterior wall and the same distance from the interior wall or the interior covering. The whole structure is supported and strengthened by 5⅝ x 5⅝ corner posts.

House J

This one consists basically of a wooden stud framed external panel 8 feet high by 3 feet 4 inches wide. The siding is 1 inch V-jointed vertical weatherboards. Behind it is a layer of breather paper, gypsum plasterboard sheeting, air space, 2-inch glass wool insulation, a waterproof paper vapour barrier, and finally, the internal lining of ⅜ inch gypsum plasterboard. Openings are placed in the panels for the installation of electric wiring.

The roof has folding roof trusses at 3 foot 4 inch centres and these are located in notches cut in a continuous wall plate fixed to the top of the external wall panels. Wind braces and purlins are precut and machined and the purlins are fixed to purlin blocks fastened to the trusses. Ceiling boards of ⅜ inch plasterboard are fixed to the ceiling joists. A 3-inch glass wool quilt is laid over the ceiling between the joists and a layer of waterproof paper fixed behind the ceiling boards. The roof sheets are 22 gauge rigidal mansard sheets of aluminum. These are fixed over a layer of heavy building paper covering the roof rafters and all joints are sealed with a mastic strip. The facia boards are shaped to fit the rolls of the roofing sheets, excluding all snow, and a close-fitting, sealed ridge capping has been specially designed and manufactured for the Canadian market.

House K

This design employs an exterior wall of a unique type. It can best be described as built of wooden bricks with an exterior and interior brick forming the walls. Each brick is fabricated of wood 4 feet x 2 feet and in plan tapers from 5½ inches at the centre to 3 inches at each end. The bricks are laid with each interior brick overlapping half of the exterior sections. The thickness of the wall so formed is approximately 9 inches, but the manufacturers have found that this type of construction is probably too expensive to make an economically satisfactory building.

They have therefore changed their plans and now employ a studded frame construction, factory cut. After the frame is erected, wall, floor and roof panels are fixed to the vertical studs which have been previously grooved or rabbited to take the various panels.

The panels are two feet by four feet, thus giving any desired plan arrangement based on a 2-foot module. Necessary insulation material is built into the panels before fixing. Each panel is framed on a 1 x 2 edge strip, which fits into, and is fixed to, the rabbited stud. The same method is employed in fixing roof, wall and floor panels. A light steel truss placed approximately one-third of the width of the building from each long external wall provides support for the roof, stiffening for the building generally, and carries the first floor joists. This relieves the partitions of their usual role of weight bearers.

—R. Douglas Roe
Commercial Secretary for Canada (Timber)

Canadian firms interested in having the names and addresses of the makers of these various types of houses should write to the editor, who has them on file.

RAW MATERIALS STORY

World production of basic raw materials in nine months of 1952, a UN statistical survey shows, differed somewhat from the same period of 1951. By the third quarter of 1952 world production of crude petroleum reached a three-months' high of 145 million metric tons, largely because of increased output in Kuwait, Iraq and Canada. Coal production fell, with U.S. output alone down by 13 per cent in the first ten months of 1952, compared with a similar period in 1951. Rubber production reached 1·3 million metric tons in the first ten months of 1952, as against 1·4 million in the same period of 1951. Steel output for the year is expected to be down, largely because of the U.S. steel strike in mid-year. In the third quarter of 1951, world steel production was 10 per cent below the level of the preceding year, though output outside the U.S. was 9 per cent higher.

FAIRS and EXHIBITIONS

Canada Exhibits Abroad

These are busy days for the Canadian Government Exhibition Commission. From the idea-men at the top down to the painters and carpenters who transform blueprints into reality, everyone is working full speed on Canada's exhibits for five great European fairs this spring.

Though each exhibit is different, all of them stress a basic theme—that Canada, a firm believer in two-way trade, wants both to buy and to sell. To vary the treatment of this theme and to introduce secondary elements into the design calls for all the ingenuity and artistic talent of the Commission's staff.

- First event on the spring program is the Royal Netherlands Industries Fair, Utrecht, March 17-26. Canada first exhibited at this fair last year. This time the Canadian display will occupy about 1,160 square feet and will portray in graphic form the possibilities of an increase in two-way trade between the two countries. Both raw materials and semi-finished products will form part of the exhibit.

- Next comes the International Trade Fair at Lyon, France, April 11-20. This will be Canada's first appearance at the Lyon Fair. The 500-square-foot booth will be designed as three shop windows. Part of the space will be used to show graphically how our expanding economy offers France an opportunity to increase its dollar earnings. The remainder will be devoted to advertising, through charts and actual samples, the raw materials which we sell to the world.

- The Milan International Trade Fair, Milan, Italy, April 12-29, will include a Canadian exhibit for the fifth time. This ranks as one of the world's largest fairs; in 1952, over 3,400 foreign firms from 26 countries participated and nearly four million people came to see it. This exhibit too will stress Canada's industrial development, display many of the commodities which we produce, and highlight the increasing possibilities for exchange of goods between the two countries.

- Canadian displays at the Brussels International Trade Fair, Brussels, Belgium, April 25-May 10, will fall into two parts. One will be a 770-square-foot official exhibit in the Hall of Nations, and the other a 500-square-foot fur display in the textile section.

Main feature of the official exhibit will be a display of manufactured products, supplied largely by Belgian agents for Canadian companies, and supplemented by goods sent over especially for the fair. The display will also portray our industrial development.

The fur display is being organized in co-operation with the Department of Agriculture, the Canadian National Silver Fox Breeders' Association, and the Canada Mink Breeders. It will feature raw pelts, dressed skins, and made-up jackets, stoles and coats. Ordinarily this fair attracts about a million visitors, including 15 thousand from foreign countries.

• Of particular interest in Coronation year is the British Industries Fair, in London and Birmingham, April 27-May 8. At the Heavy Industries Section at Castle Bromwich, Birmingham, Canada will have a specially staffed information booth, where businessmen may discuss their problems with our trade representatives.

The London exhibit is still in the planning stage, but it will probably picture Canadian development from the coronation of the late King George VI to the coronation of his daughter, Queen Elizabeth II.

Germany's Fair Program

The 1953 program of Spring Fairs in Germany has been so arranged that visitors can see within 20 days the full range of goods produced in the Federal Republic. First comes the Cologne International Fair, Section I, household goods and iron work, February 22-24. Section II, textiles and clothing, will be held March 8-10. Next is the Frankfurt International Fair, with the leather goods section at Offenbach, February 21-26. The Hanover Light Industrial Fair is scheduled for March 1-5 and the Nuremberg Toy Fair for March 8-13. Finally comes the Hanover Heavy Industries Fair, April 26-May 5.

Invitation to Padua

The 31st International Trade Fair of Padua, Italy, will be held from May 31 to June 14, 1953. Re-opened in 1947 after rebuilding the pavilions destroyed during the war, the Fair in 1951 drew over a million visitors to see goods displayed by 3,480 exhibitors.

An attractive pamphlet giving full information about the 1953 Fair may be obtained from Dr. P. Migone, Commercial Attaché for Italy, 133 Sparks Street, Ottawa.

Across the Border

The following fairs, of possible interest to Canadian businessmen, will be taking place in the United States during the next few weeks:

• Eleventh International Heating and Ventilating Exposition, January 26-30, Chicago, Illinois.

• National Travel Show, February 20-March 1, New York, N.Y.

• International Beauty Exhibition, March 9-12, New York, N.Y.

• International Toy Exhibit, March 9-13, New York, N.Y.

• Second Annual International Motor Sports Show, April 4-12, Grand Central Palace, New York, N.Y.

Storm in the Indian Teapot

Rising costs of production and falling prices have created a critical situation in the Indian tea industry; some tea gardens have closed.

BOMBAY—Tea is India's second largest export and a flourishing tea industry is vital to the country's balance of trade. During the years of its prosperity—when Indonesia, one of its greatest competitors, and other Far Eastern countries were overrun by the enemy—it was saddled with expensive responsibilities and higher costs. Now the world supply of tea exceeds demand and the Indian tea industry can no longer carry those burdens. In fact, many gardens are being forced to close.

The war opened to India and Ceylon markets previously enjoyed by Indonesia. The United Kingdom, through bulk purchasing at prices which allowed for all increases in the costs of production, provided an assured outlet for all Indian tea exporters who could not get better prices elsewhere. As a result, Indian production increased by 33⅓ per cent.

Production Costs Rise

During this period the tea industry was able to absorb additional costs and the principle of the tea gardens feeding and housing their workers, regardless of cost, became firmly established. There are approximately 800 thousand labourers, plus dependents, employed on Indian tea estates. Originally the gardens supplied rice to these employees and their dependents at Rs.5 a maund. They are continuing to do so, although prices have risen to Rs.30 a maund! This high food subsidy has been slightly offset by comparatively small increases in cash wages.

Materials have also become more expensive. Tea chests are up 25 per cent. The government policy of protecting the native industry by quantitative import restrictions and duties has perhaps encouraged it beyond the supply of suitable timber. The result is that Indian teas are getting an unfortunate reputation because of poor packing. This has an inevitable reaction on price. In addition, the increased cost of transporting the coal which the industry uses has resulted in over Rs.5 million additional annual charges.

However, the industry's paramount complaint is the continuation of the export duty on tea. This amounts to four annas per pound, plus a cess of Rs.2 per 100 pounds. And unlike other industries such as jute, no relief was given when, early in 1952, other export levies were abolished or reduced.

The London tea auctions were resumed in April 1951, a step made possible by the increase in exports from Indonesia. Gradually rationing in the United Kingdom was eliminated and bulk purchasing came to an end. Then the remainder of the U.K. subsidy was removed and auction prices were based on rates which the consumer would pay. Auctions also allowed buyers to exercise personal preferences, impossible under the

—The Tea Bureau

This Indian tea has been "withered" in the factory; now it goes into huge rolling machines which bruise and twist the leaf, breaking up the cells.

bulk purchasing arrangements of the previous ten years. Whereas before the better teas suffered, now the more plentiful common teas became under-priced in relation to the new and fairly rigid costs of production.

The average figures for all teas to the end of October 1952, compared with those of October 1951, reveal how calamitous has been the fall.

	1951	1952	Fall
London:	s. d.	s. d.	s. d.
Northern India	3— 7.68	2—10.61	0— 9.07
Southern India	3— 6.31	2— 7.73	0—10.58
Pakistan	3— 4.43	2— 1.15	1— 3.28
Ceylon	3—10.08	3—10.74	.68
Indonesia	3— 3.73	2— 9.23	0— 6.50
Africa	3— 2.96	1— 8.40	1— 6.56
Calcutta:	Rs.as.ps.	Rs.as.ps.	Rs.as.ps.
Export Auctions	1.11.7	1.6.11	0.4.8
Internal	1. 9.9	1.5. 3	0.4.6

Indian teas also cost more to produce in 1952 than in 1951 because of an increase in wages under the Minimum Wage Awards of Assam, West Bengal, Madras and Travancore. There was a four anna increase a day in Assam, where an anna a day increase means Rs.10 million added to the annual wage bill. An average fall of nearly tenpence a pound, coupled with an increase in the costs of production, means eventual ruin to all but the most favoured gardens. Perhaps the most striking feature of the figures tabulated above is the manner in which Ceylon teas continue to command good prices. Ease of communications, good packing, regular hours of work and attendance, a careful attention to quality, and the good fortune of producing teas of a type in demand combine to make Ceylon the only producing country which has been unaffected by the recession.

In an atmosphere of daily announcements of gardens forced to close, discussions within the industry and with the Government are being carried on in an attempt to find some solution to the dilemma. No concrete measures have yet been adopted, though recently it was reported that North and South Indian growers had agreed to reduce next year's tea crop by 8 per cent—to about 570 million lb.

The industry seeks assurance that its requirements, such as transport, coal, chests, food, etc., will be supplied as cheaply as possible; regular attendance and a fair day's work for the statutory wage become the prevailing practice, and taxes—particularly export duties—reduced, if not permanently, at least while the crisis lasts. Some aspects of the industry's retrenchment and austerity measures might well be maintained even when prosperity returns.

The crisis in tea appears more serious when it is remembered that the majority of tea estates cannot be converted to other crops because the land is suitable only for tea growing. Similarly, gardens left unattended take many years to bring back into production.

—Bruce I. Rankin
Commercial Secretary for Canada

Norway's Biggest Industry

Norsk Hydro, drawing on Norway's great waterpower resources, turns out nitrogen products; is today branching out into other electro-chemical fields.

OSLO—Norway has an abundance of hydro-electric power resources and today ranks among the leading countries in this field. Only some 14 per cent of the entire population use fuel other than electricity for heating or lighting. Installed capacity at the end of 1950 was about 3·2 million kw, and many plans for expansion are in progress. Resources yet to be developed are estimated at well over 13 million kw.

Norway is, therefore, well suited to industries requiring large amounts of electric power. The country's biggest industrial concern is Norsk Hydro-Elektrisk Kvaelstofaktieselskab, popularly known as Norsk Hydro. Some Kr. 750 million has been invested in this company which was founded in 1905 on the then newly-discovered Birkeland-Eyde process. This sum was written down to about Kr. 270 million in June of this year. The Norwegian Government now owns 46 per cent of the shares. Norsk Hydro started, as its full name suggests, as a producer of nitrogen products and today has an annual output of 172 thousand tons of pure nitrogen. It is steadily branching out into new fields of electro-chemistry. The company's several factories, located in various parts of Norway, consume

a total of approximately 3,700 million kilowatt hours a year which is, roughly speaking, 20 per cent of Norway's total annual consumption of electricity. About one-third of this amount is generated by the company's own power plants and plans are now under way for a new generating plant at Rjukan to deliver an extra 20 thousand kw.

Fertilizer Exports Large

Total world exports of fixed nitrogen are estimated at some one million tons a year. Of this, Norsk Hydro produces 145 thousand tons and markets them in the form of various fertilizers. Chief among its customers for nitrous fertilizers are: Denmark, 400 thousand tons this year; Sweden, 230 thousand tons; and Finland, Spain and Egypt. Sales to the United States have totalled about 45 thousand tons.

Urea, with its high fixed nitrogen content, is another product now manufactured by Norsk Hydro and present output is estimated to be about ten thousand tons a year. Urea is used to produce plastics and the company also turns out three grades of polyvinylchloride.

Norsk Hydro has already covered Norway's internal demand for trichlorethylene and has sufficient left over for limited export.

The company has now taken over the former HEFA factory at Heroya, and last year made, among other products, about 5,000 tons of metallic magnesium from sea-water and dolomite. It plans to double the output in the near future.

Heavy water for use in atomic piles is another product manufactured by Norsk Hydro, and at its present price of Kr. 1·5 million a ton it brings a welcome income into the country.

Potash from Sea Water

Experiments are also being made in the production of potash from seawater, and results so far are said to have shown great promise.

All in all, Norsk Hydro today manufactures some thirty products of which about 20 per cent go to the home market. New plans, however, are under way for the building of several new plants and the improvement of older ones. This expansion will include increasing the complete fertilizer production from the present output of 40 thousand tons to between 100 and 150 thousand tons a year. The greater part of the increase is earmarked for domestic use. Also planned are a formic acid plant with a capacity of 2,000 tons, and new factories in North Norway as part of the plans for national industrial expansion. A sinking fund of Kr. 50 million will be set aside for this purpose. A loan of Kr. 75 million will be floated, three-quarters of it to be raised in Norway and one-quarter to come from foreign sources.

The total sales effected by the company in its financial year 1951-52 amounted to Kr. 323 million, as compared with Kr. 276 million in the previous twelve months. Total profits for the year were Kr. 13·6 million. Clearly, Norsk Hydro is rapidly expanding and has every prospect of becoming one of the world's largest producers of electro-chemical products.

—J. L. Mutter
Commercial Secretary for Canada

COMMODITY NOTES

CHILE

Buses—Purchase of 350 buses from Italy has been recommended, payment to be arranged by additional sales of nitrate. These buses will be sold to private owners who have accepted a government scheme to form a combine to handle local transport—Santiago, December 6.

Copper—Up to December 6, the Central Bank had closed operations for copper sales for a total of 238,500 tons at a uniform price of 35½ cents U.S. per pound. A continued firm demand is said to exist at this price—Santiago, December 8.

ITALY

Giant Transmission Belt—Italy has achieved "the world's largest" in the recent production of two transmission belts to be used in a domestic steel mill. Of different lengths, they are of triple leather of 5½ feet width, one inch thickness, weighing 1·0 and 1·7 metric tons respectively. A similar belt about three feet in width has been in continuous operation for the past eight years in another mill, where it transmits 1,000 horsepower at a speed of 32 yards, 2 feet per second—Rome, December 18.

MEXICO

Nylon Fibres—Nylon-type artificial fibres will be manufactured in Mexico before the end of 1953, it has been reported in banking circles. It is said that a factory will be established by Beijer Continental, S.A., which is representative of Swedish interests. Orders are understood to have been placed in Germany for plant equipment and the fibres will be manufactured under German patents—Mexico, D.F., December 30.

Cotton—Export duties on raw cotton were lowered slightly on December 27 by a revision of the official price, for the purposes of duty payment, from 5·25 pesos to 4·73 pesos per gross kilogram. Latest estimates are that 800 thousand bales of the 1952-53 crop will be

sold abroad. Total production of the northwestern states of Simaloa and Sonora was sold in September to Japan—Mexico, D.F., December 30.

SOUTH AFRICA

Synthetic Rubber—Sasol, the £20 million government sponsored oil-from-coal project, will contribute largely to the economic life of the country, even apart from its scheduled annual production of 55 million gallons of petrol. By-products will include 5·5 million gallons of diesel oil, 7,500 tons of ammonia, three million gallons of low temperature tar, one million gallons of tar acid required by the synthetic fibre industry, substantial quantities of alcohol and butane, and acetone in excess of the country's requirements. Proposals for the construction of a 20-thousand-tons-a-year synthetic rubber plant, involving an additional investment of £5·5 million, are being examined— Cape Town, December 10.

SPAIN

Mercury—The Ministry of Commerce has fixed the export price for mercury at US$165 a flask—Madrid, December 16.

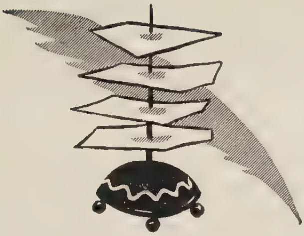
Olive Oil—Olive oil production for the 1952-53 season is officially estimated at 246,868 metric tons—Madrid, December 16.

TURKEY

Iron and Steel—A second blast furnace has just been put into operation at the Karabuk Iron and Steel Works, the largest industrial enterprise in Turkey. This was made possible through the completion of a second coke oven. As a result, it is expected that production of iron and steel will be almost doubled at Karabuk. A sintering plant to permit the use of iron-ore dust and particles will soon be completed. The old and new coke ovens, working at normal capacity, will produce 550 thousand tons of coke, 200 million cubic metres of coke gas, 6,000 tons of benzol and derivants, 25 thousand tons of pitch, creosote and bitumen, 1,000 tons of naphthalin (pure) and 5,000 tons of ammonium sulphate a year. In addition to the present range of products (which includes sheet iron, rails, iron rods for construction, and coke derivatives) the Karabuk Works will now begin producing centrifugal cast-iron water pipes—Athens, December 15.

WEST GERMANY

Oil—During October and November 1952, Western Germany imported diesel oil from the Soviet Union to a value of one million dollars. Payments for Soviet oil shipments are based on the "transferable account area" which the German Federal Republic joined on August 31, 1952. The Soviet Union also participates in this accounting system, which is based on the pound sterling. The West German Ministry of Economics has announced that another offer of oil deliveries from the Soviet Union has been received and is being carefully sudied—Bonn, December 23.



GENERAL NOTES

AUSTRALIA

Export Controls Lifted—On November 24 the Federal Government lifted export controls from 26 more products to boost export trade. The products freed include: motor vehicle spare and component parts (except those of North American origin), bearings and engines; rubber and rubber manufactures, synthetic rubber, except tires and tubes for graders, tractors and earth-moving equipment; wool and woollen goods; a wide range of chemicals and drugs; goods manufactured wholly or substantially of copper or aluminium and their alloys; plywood and paper. These items may be sold in any quantity. There are now fewer than 100 commodities still subject to export control. Primary products, such as wheat, meat and dried fruits, which are sold under international agreements, and agricultural machinery and some basic metals and semi-fabricated metals, are still subject to control. As production increases, more commodities will be freed—Sydney, December 10.

MEXICO

Trade Deficit—A foreign trade deficit of 235·1 million pesos (US$27·7 million) in October brought the excess of imports over exports up to 1,664·6 million pesos during the first ten months of 1952. The balance of payments showed an estimated deficit of $78·9 million at the end of the first nine months of the year. This estimate was based on imports and exports of merchandise, production of gold and silver, net tourist expenditures, and payments abroad on interest and dividends—Mexico, D.F., December 30.

PAKISTAN

Registration of Importers and Exporters—According to a notification published in the *Gazette* of Pakistan, on December 12, 1952, the Ministry of Commerce has made the registration of importers and exporters compulsory. By this order no importer or exporter who has not been granted registration by the Chief Controller of Imports and Exports shall import or export any goods into or out of Pakistan. The Central Government may order cancellation of an importer's registration if the selling prices of his goods are higher than the prices published by the Central Government from time to time.

One of the significant clauses in this order is the stipulation that no firm shall be registered, or can continue to be registered, unless at least 50 per cent of its total strength of officers in the superior,

executive and managerial classes, and at least 75 per cent of its staff in other classes, are nationals of Pakistan. Also, the terms of service in any class in the matter of pay, allowances, privileges and the like must be the same for all employees irrespective of their nationality—Karachi, December 13.

SOUTH AFRICA

Rayon Industry Progressing —The establishment of the rayon pulp factory in Natal, in conjunction with Courtaulds and Snia Viscosa, to produce wood pulp suitable for use in the viscosa rayon industry is proceeding satisfactorily and work at the site has already begun, according to the annual report of the Industrial Development Corporation. Approximately 300 Italian specialists will be imported to work in the factory, it is expected. The entire output will, in the initial stages, be purchased by Snia Viscosa and Courtaulds. It is hoped the project will contribute much to the Union's earnings of foreign exchange. The rayon pulp industry and the paper industry, in which the Corporation is also particularly concerned, will have far-reaching effects on the use and development of valuable timber resources—Johannesburg, December 12.

UNITED KINGDOM

Trade Balance Improves—United Kingdom imports in 1952 were valued at £3,481 million, a decrease of 11 per cent as compared with 1951. Exports amounted to £2,550 million, a reduction of one per cent. Re-exports were £144 million, an increase of 14 per cent. The visible adverse balance of trade fell by £409 million to £788 million.

Exports to Canada declined by £10 million to £127 million, but to the United States they showed an increase of £7 million, making a total of £144 million—London, January 14.

UNITED STATES

Costs Up for Southern Farmers—Farmers in the Southern States must face uncertain prices and higher costs in 1953, according to a report appearing in the December issue of the *Progressive Farmer,* a leading Southern farm publication. The report estimates that cotton will be produced at about the same level as in 1952, but demand may be down and price lower. Supports are guaranteed at 90 per cent of parity. A great deal more beef is expected to be on the market this year and prices are likely to move down. On the other hand, the trend of dairy prices is up because there has been a decline in number of cows since 1944, and human consumption of milk is increasing. Hog markets are expected to improve, with a 10 per cent cutback in pork supplies in 1953. Broiler prices are expected to average higher than in 1952.

In terms of costs, the Southern farmer is faced with a tight feed situation because of the severe drought in 1952. Fertilizer will be available in large quantities, although it will still be inadequate for local demand and prices will be higher. Machinery prices may decline slightly, but labour costs are certain to go up—New Orleans, December 20.

TRADE AND TARIFF REGULATIONS

BRAZIL

Imports from Hard Currency Countries—The Export-Import Department of the Bank of Brazil has issued a new list of commodities for which applications for licences or exchange quota certificates will be considered for imports into Brazil payable in dollars during the next six months.

The list dated July 31, 1951, issued under Notice No. 287 is thereby cancelled. The new list contains substantially the same goods with some additions of essential commodities and twelve deletions from the former list.

Applications for imports must be made in quantities to cover supply for six months. The deadline for submission of applications is January 31, 1953—Rio de Janeiro, January 6.

Full details of the new list are available from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa—Editor.

NORTHERN RHODESIA

Import Control—The Economic Secretary to the Northern Rhodesia Government has announced that no more motor cars or trucks will be permitted entry direct from the United States and Canada because it is not possible to make dollars available for their purchase.

The only North American cars which can be purchased will be those assembled in the Union of South Africa for which no hard currency is required.

UNITED STATES

Imports into the United States from Hong Kong—The Foreign Assets Control Division of the United States Treasury Department is issuing an amendment to section 500.808 of the Foreign Assets Control Regulations of December 17, 1950. This will permit the importation into the United States of goods of Chinese type, subject to FAC regulations, produced in Hong Kong, provided they are covered by Hong Kong Government certificates of origin.

The new certification procedure which has been placed in operation by the Hong Kong authorities does not yet apply to all commodities of Chinese type produced in Hong Kong. The commodities presently covered are cotton waste, hardwood furniture, ivory manufactures, preserved plums, salt fish in oil, silk manufactures, tungsten ores and concentrates, and water chestnuts. It is contemplated that in the near future certification will be available for most of the principal exports of Hong Kong origin to the United States.

Canadian imports from Hong Kong will be subject to the same regulations as their counterparts in the United States if the goods arrive at a United States port—Washington, January 9.

Foreign Trade Service Abroad

† Indicates a change since previous publication.

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina Paraguay Uruguay	C. S. Bissett, Commercial Counsellor W. B. McCullough, Agricultural Secretary	Canadian Embassy, Bartolome Mitre 478, Buenos Aires	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 33-8237
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	C. M. Croft, Commercial Counsellor for Canada	City Mutual Life Building, 60 Hunter Street, Sydney	*Mail:* P.O. Box 3952 G.P.O. *Cable:* Canadian *Tel.:* BW 9351
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada and Agricultural Secretary	83 William Street, Melbourne	*Mail:* (City Address) *Cable:* Canadian *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	W. Gibson-Smith, Canadian Government Trade Commissioner	Forescom Building, Leopoldville	*Mail:* Boîte Postale 373 *Cable:* Canadian *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Secretary	Canadian Embassy, 35 rue de la Science, Brussels	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 11-33-88
Brazil	C. R. Gallow, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165, Rio de Janeiro	*Mail:* Caixa Postal 2164 *Cable:* Canadian *Tel.:* 42-4140
Brazil	C. J. Van Tighem, Consul of Canada and Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, Sao Paulo	*Mail:* Caixa Postal 6034 *Cable:* Canadian *Tel.:* 36-6301
Ceylon	Paul Sykes, Canadian Government Trade Commissioner	Galle Face Hotel, Colombo	*Mail:* P.O. Box 1006 *Cable:* Canadian *Tel.:* 5876
Chile	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, Santiago	*Mail:* Casilla 771 *Cable:* Canadian *Tel.:* 64189
Colombia Ecuador	W. J. Millyard, Canadian Government Trade Commissioner	Calle 19, No. 6-39, Bogota	*Mail:* Apartado 1618 *Airmail:* Apartado Aero 3562 *Cable:* Canadian *Tel.:* 12-251
Cuba	A. W. Evans, Commercial Secretary	Canadian Embassy, Edificio Motor Centre, Calle Infanta 16, Havana	*Mail:* Apartado 1945 *Cable:* Canadian *Tel.:* UO-9457
Dominican Republic Haiti, Puerto Rico	R. E. Gravel, Canadian Government Trade Commissioner	Edificio Copello 410, Calle El Conde, Ciudad Trujillo	*Mail:* Apartado 451 *Cable:* Canadian *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Jordan, Saudi Arabia	Acting Canadian Government Trade Commissioner	Osiris Building, Sharia Walda, Kasr-el-Doubara, Cairo	*Mail:* P.O. Box 1770 *Cable:* Canadian *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	Commercial Counsellor for Canada	3 rue Scribe, Paris	*Mail:* (City Address) *Cable:* Canadian *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor	Canadian Embassy, 22 Zitelmannstrasse, Bonn	*Mail:* (City Address) *Cable:* Canadian *Tel.:* Bonn 38927
Germany	Wm. Van Vliet, Agricultural Secretary		

Territory	Officer	City Address	Mail and Cables, Office Telephone
reece Israel, Turkey	H. W. Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., Athens	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 72-853
uatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner	28, 5a Avenida Sud, Guatemala City	*Mail:* P.O. Box 400 *Cable:* Canadian *Tel.:* 5590
Iong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., Hong Kong	*Mail:* P.O. Box 126 *Cable:* Canadian *Tel.:* 28336
ndia	Richard Grew, Commercial Counsellor	Office of the High Commissioner for Canada, 4 Aurangzeb Road, New Delhi	*Mail:* P.O. Box 11 *Cable:* Canadian *Tel.:* 40191
ndia Burma	B. I. Rankin, Commercial Secretary for Canada	Gresham Assurance House, Mint Road, Bombay	*Mail:* P.O. Box 886 *Cable:* Canadian *Tel.:* 20672
reland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., Dublin	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 44251
taly Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor	Canadian Embassy, Via Saverio Mercadante 15, Rome	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 80-842
taly	C. F. Wilson, Agricultural Counsellor		
taly	M. S. Strong, Commercial Secretary (Fisheries)		
amaica Bahamas, British Honduras	M. B. Palmer, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, Kingston	*Mail:* P.O. Box 225 *Cable:* Canadian *Tel.:* 2858
amaica	E. M. Gosse, Canadian Trade Commissioner (Fisheries)		
apan Korea	†J. C. Britton, Commercial Counsellor	Canadian Embassy Tokyo	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 48-4116
ebanon Iraq, Syria	G. F. G. Hughes, Canadian Government Trade Commissioner	Centre Urbain Emir Beshir, Bâtiment A1, Rue Emir Beshir, L'Azarieh, Beirut	*Mail:* Boîte Postale 2300
lexico	†M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, Mexico, D.F.	*Mail:* Apartado 126-Bis *Cable:* Canadian *Tel.:* 36-27-90
letherlands	J. A. Langley, Commercial Counsellor	Canadian Embassy, Sophialaan 1-A, The Hague	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 18-51-06
letherlands Belgium, Denmark, Luxembourg	Acting Agricultural Secretary		
ew Zealand Fiji, Western Samoa	L. S. Glass Commercial Secretary,	Office of the High Commissioner for Canada, Government Life Insurance Bldg., Wellington	*Mail:* P.O. Box 1660 *Cable:* Canadian *Tel.:* 70-644
orway Denmark, Greenland	J. L. Mutter, Commercial Secretary	Canadian Legation, Fridtjof Nansens Plass 5, Oslo	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 33-30-80
akistan Afghanistan, Iran	A. P. Bissonnet, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., Karachi	*Mail:* P.O. Box 531 *Cable:* Canadian *Tel.:* 5826

Territory	Officer	City Address	Mail and Cables, Office Telephone
Peru Bolivia	H. J. Horne, Acting Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 71950
Philippines	F. H. Palmer, Consul General of Canada and Trade Commissioner	Tuason Building, 8-12 Escolta, MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48—1°D., LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Singapore Brunei, Federation of Malaya, Indonesia, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room D-5, Union Building, SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 7739
South Africa (Natal, Transvaal) Southern Rhodesia, Northern Rhodesia, Nyasaland, Mozambique, Kenya, Tanganyika, Uganda, Zanzibar	C. B. Birkett, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar	K. F. Noble, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	E. H. Maguire, Canadian Government Trade Commissioner	70 Avenida Jose Antonio, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 21-41-13
Sweden Finland	F. W. Fraser, Commercial Counsellor	Canadian Legation, Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	Yves Lamontagne, Commercial Counsellor	Canadian Legation, Thunstrasse 95, BERNE	*Mail:* (City Address *Cable:* CANADIAN *Tel.:* 4-59-17
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	Acting Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 4787
United Kingdom (South of England, East Anglia, Scotland), Iceland, British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor R. Campbell Smith, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701
United Kingdom	D. A. B. Marshall, Commercial Secretary (Agricultural)		
United Kingdom	R. D. Roe, Commercial Secretary (Timber)		*Cable:* TIMCOM

Territory	Officer	City Address	Mail and Cables, Office Telephone
United Kingdom (Midlands, North England, Wales)	M. J. Vechsler, Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	J. H. English, Commercial Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W., WASHINGTON, 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN †*Tel.:* DEcatur 2-1011
United States	Dr. W. C. Hopper, Agricultural Counsellor		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda	A. E. Bryan, Deputy Consul General of Canada and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States	M. B. Bursey, Consul of Canada and Trade Commissioner (Fisheries)		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	G. S. Patterson, Consul General of Canada	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	D. S. Cole, Consul General of Canada	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, CHICAGO 6	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* STate 2-7312
United States (Michigan, Ohio)	B. C. Butler, Consul of Canada and Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT, 26	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* WOodward 5-2811
United States (City of Los Angeles, Southern California, Arizona)	V. E. Duclos, Canadian Government Trade Commissioner	510 West Sixth Street, LOS ANGELES 14	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* VAndike 7114
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	G. A. Newman, Consul of Canada and Trade Commissioner	Canadian Consulate, 201 International Trade Mart, NEW ORLEANS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
United States (Northern California, Montana, Oregon, Idaho, Washington, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	Acting Consul General of Canada	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* SUtter 1-3039
Venezuela Netherlands Antilles	J. A. Stiles, Consul of Canada and Trade Commissioner	Canadian Consulate General, Edificio Pan American, Puente Urapal, CARACAS	*Mail:* Apartado 3306 *Cable:* CANADIAN *Tel.:* 55818
Venezuela Colombia	Vice-Consul of Canada and Acting Agricultural Trade Commissioner		

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalents multiply by 1·02927.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Jan. 15*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1295	(1)
		Basic buying	·1943	
		Preferential selling	·1943	
		Basic selling	·1295	
		Free	·06994	
Austria	Schilling		·04548	
Australia	Pound		2·1860	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01938	
Bolivia	Boliviano	Official	·01619	tax 5% (1)
		Differential	·00967	tax 3% (2)
British West Indies	Dollar		·5693	(3)
	Pound		2·7325	(4)
	Dollar	Brit. Honduras	·6831	
Brazil	Cruzeiro		·0525	tax 8% (2)
Burma	Kyat		·2049	
Ceylon	Rupee		·2049	
Chile	Peso	Official	·03129	(1)
		Commercial	·01618	
		Free	·00829	
Colombia	Peso	Basic	·3886	tax 3% (2)
		Coffee buying	·4235	
Costa Rica	Colon	Official	·1734	(5)
		Free	·1463	*Nov. 28
Cuba	Peso		·9716	tax 2%
Czechoslovakia	Koruna		·01943	
Denmark	Krone		·1407	
Dominican Republic	Peso		·9716	
Ecuador	Sucre	Official	·06476	(6)
		Free	·05606	
Egypt	Pound		2·7899	
Fiji	Pound		2·4617	
Finland	Markka		·00422	
France	Franc		·00278	
French Africa	Franc		·00556	
French Pacific	Franc		·01528	
Germany	D Mark		·2313	
Greece	Drachma		·000065	
Guatemala	Quetzal		·9716	
Haiti	Gourde		·1943	
Honduras	Lempira		·4858	
Hong Kong	Dollar	Free	·1612	*Jan. 2
Iceland	Krona	Official	·05966	
		Special buying	·04588	
		Special selling	·03728	
India	Rupee		·2049	
Indonesia	Rupiah	Basic	·08522	
		With Surcharge I	·04261	(7)
		With Surcharge II	·02841	
		Dollar certificate	·00183	*Dec. 15

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Jan. 15	(See below) Notes
Iran	Rial	Certificate I	·011587	*Nov. 26
		Certificate II	·011519	*Nov. 26
Iraq	Dinar		2·7325	
Ireland	Pound		2·7325	
Israel	Pound	Basic	2·7204	
		Special	1·3602	
		Investment		
Italy	Lira		·00156	
Japan	Yen		·00270	
Lebanon	Pound	Free	·2716	*
Mexico	Peso		·1123	
Netherlands	Guilder		·2557	
Netherlands Antilles	Guilder		·5152	
New Zealand	Pound		2·7325	
Nicaragua	Cordoba	Effective buying	·1472	(8)
		Official Selling	·1378	
		With Surcharge I	·1207	
		With Surcharge II	·0967	
Norway	Krone		·1360	
Pakistan	Rupee		·2937	
Panama	Balboa		·9716	
Paraguay	Guarani	Basic	·06477	(1)
		With Surcharge I	·04626	(9)
		With Surcharge II	·03238	
Peru	Sol	Certificate	·0623	
Philippines	Peso		·4858	tax 17% (2)
Portugal	Escudo		·03391	
El Salvador	Colon		·3886	
Singapore & Malaya	Straits dollar		·3188	
South Africa (Union of)	Pound		2·7325	
Spain & Dependencies	Peseta	Basic buying	·04436	
		Basic selling	·08659	(1)
		†Basic commercial selling	·05915	
		Free	·02450	
Sweden	Krona		·1878	
Switzerland	Franc		·2265	
Syria	Pound	Free	·2613	*Dec. 15
Thailand	Baht	Official	·07772	(1)
		Free	·05729	*Nov. 28
Turkey	Lira		·3470	
United Kingdom	Pound		2·7325	
United States	Dollar		·9716	
Uruguay	Peso	Official	·6396	
		Basic buying	·5458	
		Special buying	·4134	(1)
		Basic selling	·5113	
		Special selling	·3965	
Venezuela	Bolivar		·2900	(10)
Yugoslavia	Dinar		·00324	

* Latest available quotation date.
† Since the "Basic selling" rate is for State purchases only, we are now also quoting the "Basic commercial selling" rate.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective rate for all Indonesian exports to dollar area is basic rate plus 70 per cent of dollar certificate rate. Cost of imports is increased by full amount of dollar certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to all Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11.

foreign trade

JANUARY 31, 1953

Norway's Fishing Industry (page 8)

foreign trade

L. 13 OTTAWA, JANUARY 31, 1953 NO. 318

VER . . . Split codfish is ad out to dry on the rocks irip Island, off the west t of Norway. Herring and make up 90 per cent of lorwegian fisheries; Brazil, a and Spain are the main ort markets for cod. (See on page 8.)

Published weekly by the Department of Trade and Commerce, under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

Trends in Export Trade

Though the United States and the Commonwealth countries continue to be Canada's main markets, our exports to third countries have doubled since 1950. Here is an analysis of this increase and some of the reasons behind it.

IN the past two years, Canadian exports to countries other than the Commonwealth and the United States have doubled. In October and November 1952 exports to third countries averaged nearly $100 million a month and made up 27 per cent of Canadian exports. By contrast, shipments to the United Kingdom and other Commonwealth countries totalled $65 million in October and $81 million in November. These third-country exports for the year 1952 may reach $970 million, or about 23 per cent of total exports.

The following table compares trade with the Commonwealth areas and trade with third countries from 1928 on.

Year	Total Exports		Commonwealth ($ million)		Third Countries	
1928	$1,399	100%	$ 545	39%	$312	22%
1935	725	"	378	52	87	12
1938	837	"	443	53	124	15
1946	2,312	"	905	39	520	22
1947	2,774	"	1,168	42	572	21
1948	3,075	"	1,033	34	542	18
1949	2,993	"	1,015	34	474	16
1950	3,118	"	655	21	442	14
1951	3,914	"	872	22	730	19
1952*	4,265	"	1,034	24	970	23

* Estimate.

It is interesting to note that in 1928, the peak year of Canadian export trade before the Second World War, third countries bought much the same percentage of Canadian exports as in 1952. The figures for 1946 and 1947 may perhaps be discounted because they represent the abnormal demand for reconstruction goods and food products which followed the end of the Second World War.

Geographic Distribution

The table below shows that, during the six months before the outbreak of the Korean War, the value of Canadian exports to countries other than the United States and Commonwealth was $186 million. In the second half of 1950, this figure rose to $240 million and for the year as a whole exports to these areas were valued at $426 million.

Beginning in the first half of 1951, the export level rose progressively by half years from $264 million to $463 million in the last six months of 1951. It went up again to $426 million in the first half of 1952 and to an estimated $540 million in the six months ending December 1952. The

peak in a twelve-month period was reached in the year 1951-52, when the value of exports to these areas was $990 million, a level which will be generally maintained during the calendar year 1952.

Canadian Exports to Third Countries
Half years Jan. 1950-Dec. 1952

$ Million

	1950		1951		1952	
	I	II	I	II	I	II*
Total	185	240	264	463	426	543
Latin America	61	82	80	128	148	132
Europe	80	123	115	252	192	308
Other Foreign	45	35	69	83	86	103
Latin America						
Brazil	4·7	11·1	14·1	39·6	49·9	20·1
Chile	1·0	5·7	2·3	11·4	4·1	5·9
Cuba	7·9	10·1	9·3	11·1	13·6	8·4
Mexico	7·1	10·5	11·6	18·3	20·6	16·4
Panama	3·9	5·1	3·2	2·7	5·4	4·6
Peru	1·5	2·2	2·4	2·6	8·3	6·7
Venezuela	12·6	12·8	12·0	15·0	19·3	12·7
Europe						
Belgium-Lux.	20·2	46·1	33·4	61·0	40·8	59·2
France	9·7	8·7	13·4	33·1	30·9	24·1
Germany	3·4	5·4	8·6	28·4	17·6	72·4
Italy	4·8	10·7	15·4	33·3	25·9	18·1
Netherlands	5·1	3·5	4·6	21·5	12·6	27·4
Norway	7·2	11·7	11·7	20·5	20·0	18·0
Sweden	1·9	2·3	1·7	10·4	6·8	8·2
Yugoslavia	0·6	0·2	0·6	2·1	1·1	10·9
Other						
Egypt	2·8	1·1	0·7	1·7	2·1	9·8
Japan	11·5	9·0	35·7	37·3	41·3	43·7

* Estimates.

The areas concerned are Latin America, Europe and other foreign countries, chiefly Asiatic. Exports to Latin America, which in 1950 were $143 million, are expected to reach about $280 million in 1952. Sales to Europe, in 1950 $203 million, may come close to $500 million in the current year. Exports to other foreign countries, which were valued at $80 million in 1950, may reach about $190 million in 1952. The increase, therefore, in Canadian exports to third countries is not concentrated in any particular area nor, for the most part, in any single country. For example, in the Latin American group seven countries show substantial increases; in the European, eight countries. The only concentration is in Japan's share of exports among the other foreign countries group.

Commodity Distribution

There is less diversity in the commodity distribution of Canadian exports to these areas than in their geographic destinations. For instance, automobile exports chiefly account for the rise in exports to Latin America, although sales of wheat, electrical equipment, wood pulps, asbestos, fish, newsprint, ships, powdered milk and copper wire have also increased substantially in value.

The commodity distribution in the European and other foreign country areas is, however, largely influenced by the value of wheat shipments. In every European country, as well as Egypt and Japan, wheat is responsible for the chief increase in the export level. Pulps, copper, zinc, asbestos, chemicals, barley, nickel and aluminum have also contributed to raising the level of Canadian exports to these areas.

Continuance of the current large exports to these areas may depend largely on the rate at which automobile sales to Latin America can be maintained and on the wheat market in Europe and other countries.

Outlook for Wheat Sales

Canada has enjoyed the position of the most favoured wheat supplier in the world over the past three years because of climatic advantages. Australia and the Argentine have had a succession of poor crops in periods when the Canadian harvests have been good. The 1952 crop, in fact, was a record. Canada has thus been able to supply markets normally Australian, such as Egypt, or Argentinian, such as Italy, although Canadian wheat has had to meet the competition of American wheat in these countries.

This situation may continue in 1953 to a considerable degree. Argentina has had a much better crop than in previous years—three times as large as last year, when a near crop failure led to that country's becoming a net importer of wheat. In 1953, Argentina will re-enter the wheat market with a sizable export surplus. European production is larger, especially in France. The United States harvested a large crop in 1952 but because of fall drought, the 1953 crop may be much lower. The Australian harvest, on the other hand, though better than last year's, will still be insufficient for that country to meet the whole of her I.W.A. commitments. At present, world supply and carryover allowances are about 30 per cent above last year, but Canada has the largest comparative share of this increase. In addition, the higher grades of wheat make up a larger proportion of the Canadian crop than in 1951-52. Nevertheless the Canadian wheat crop may still be affected by developing drought conditions in the West.

Apart from this, the main factor limiting the volume of sales from the current wheat crop is that of obtaining the necessary shipping, storing and handling facilities to supply a world market eager for wheat. To a lesser degree, this is true of Canadian shipments of other grains, notably barley. The shortage of rice in the Far East, which is likely to persist, has created a strong demand for Canadian barley for use in the Japanese barley-processing industries. This grain, in treated form, is sold for human consumption to supplement the traditional staple, rice.

In these circumstances Canada's shipments of wheat and other grains both to Europe and the Far East are unlikely to decline significantly from the high levels of recent years. And in 1953 they may even increase.

Sales of Other Commodities

The maintenance of automobile shipments, chiefly to Latin America, depends very largely on orders placed in Canada on account of associated companies in the United States. At present it does not seem very likely that the companies concerned intend to withdraw these orders.

Chief among the other commodities which support the increase of Canadian exports to third countries are electrical equipment to South America and base metals to Europe. Demand for these goods and others —such as chemicals and newsprint—is unlikely to be reduced significantly in 1953. Pulps, on the other hand, are more vulnerable and there may be some reduction in the value of wood pulps which Canada is now shipping to Chile, Germany and France. Single-contract export items,

such as ships to Panama, cannot be forecast with accuracy. But as far as external factors for Canadian exports to these areas are concerned, the outlook for 1953 is good.

A further problem is whether these countries will be able to maintain the present level of their purchases in Canada in the light of their foreign exchange positions. In the second and third quarters of 1952, gold and dollar reserves of third countries increased substantially, reflecting primarily increased reserves of Continental Western Europe. This improvement has come about mainly as a result of larger net receipts from the United States. This suggests that the present financial position of these countries taken as a whole is not such as to preclude the maintenance of a high level of purchases from Canada. Individual countries may, of course, encounter difficulties. The largest markets in these areas, Germany and Japan, which are carrying relatively light defence burdens and whose economies are rapidly expanding, are unlikely to reduce Canadian imports significantly. For these two countries, and particularly for Germany, exports will probably be maintained at present levels and may even increase.

Continuing Influences

Almost all the commodities which Canada exports to third countries at present, with the exception of automobiles to South America, are not luxury goods, but basic foods and industrial materials. Such commodities would be least likely to be affected in any government program of import restrictions, because of their importance in the domestic economies of the countries concerned.

These considerations suggest that sales to third countries in 1953 are likely to be fairly well maintained. Most of the countries in Latin America, Europe and in the Far East will be able to pay for sufficient quantities of the goods that they receive from Canada to maintain the rate of imports in 1952. Possible losses sustained in some of these countries may be offset by gains made elsewhere. Certain commodities may not find so easy a market in 1953 as in 1952; others may be in stronger demand in the coming year. Canadian exports to these areas have been maintained by a combination of circumstances which is unlikely to disappear in 1953.

—ECONOMICS DIVISION
Department of Trade and Commerce

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

South Africa Pushes Paper Production

Specialty paper output is leaping ahead, kraft paper production will soon be six times greater, and a newsprint mill is planned; Canadian paper sales will obviously be affected.

JOHANNESBURG—South Africa's paper industry is booming. Within the past two years specialty paper production has jumped from 40 to 90 tons a day—close to 60 per cent of the Union's requirements. In addition, the production of kraft paper will soon be boosted from 7,000 tons a year to over 40 thousand tons. And there is talk of manufacturing newsprint.

Largest contributor to the industry's production upswing is the recently expanded specialty paper plant of South African Pulp and Paper Industries. Located at Springs, 30 miles east of Johannesburg, this plant has more than doubled its output in the past year. Wood pulp used is made from locally-grown trees. Approximately 55 per cent of the wood fed into the plant's sulphate digesters is waste from wattle plantations; the remainder is made up of thinnings and sawmill-edgings from blue gum and pine plantations. The only imported raw materials used in making the printing and writing papers are dyes and rosin size.

New Kraft Paper Mill

For years the South African packaging industry has imported the bulk of its kraft paper requirements. The sole domestic supplier has been the Premier Paper Mills near Johannesburg whose production has averaged close to 7,000 tons annually. Now a new kraft paper mill is being erected at Mandeni in the coastal region of Natal. Beginning early in 1954, the new plant will produce 100 tons of unbleached wrapping paper a day, almost 80 per cent of the Union's requirements. The pulpwood needed in its operations will come from nearby pine and blue gum plantations. Because the plant is being built on a virgin site, a power station of 10,000 kw's and a model township are included in the plans. The project, which is backed by South African Pulp and Paper Industries, will cost over £3·5 million. The plant is being laid out in such a way that large-scale expansion can be undertaken at a later date for both kraft and white paper production.

Fifty miles north of Mandeni, in the heart of the sugar cane country, another kraft mill is being erected at Felixton, Natal. The owners of the new plant, Ngoye Paper Mills (Pty) Limited, hope to produce 4,000 tons of kraft liner a year from bagasse pulp supplied by the sugar mills. Production will start in April 1953, if the equipment for the plant arrives on schedule.

While the mill at Springs turns out its doubled production and the plants along the Natal coast go up, industrialists are studying the possibilities for establishing a £4 million newsprint mill at Sabie in the

—A. Roberts

Native workers wheel wet lapped pulp from storage to go into the fine paper-making machine at a mill near Springs, in the Transvaal. This specialty paper plant uses wood pulp made from local trees; has more than doubled its output of printing and writing papers in the last two years.

Eastern Transvaal. If the newsprint mill materializes, as tentatively planned by the Central Mining and Investment Corporation, it will be capable of producing 100 tons of newsprint a day. Drawing its raw materials from surrounding government pine plantations, the mill's production would supply half of the Union's newsprint requirements. With the help of technicians from a Canadian paper firm, a small experimental tonnage of newsprint was made from local wood pulp a few months ago and run off successfully in the press of a local newspaper. Whether enough risk capital can be found to finance the venture remains to be seen, but Central Mining officials feel that the funds will be raised within the next few years.

Significance for Canadian Mills

The expansion of South Africa's papermaking industry has obvious significance for Canadian mills. Although the demand for all types of paper has been increasing in the Union, domestic production is bound to reduce imports in the years ahead. In 1951 Canadian paper sales in this area amounted to $5 million. Whether they can be maintained at this figure will depend on the ability of Canadian mills to gain a portion of the market now supplied by Scandinavian and United Kingdom producers.

—Howard E. Campbell
Assistant Canadian Government Trade Commissioner

Norway's Fishing Industry

Nature provides ideal conditions in Norway's coastal and inland waters for herring, cod and many other types of fish. A ten-year development plan is on foot to modernize and enlarge this vital industry.

OSLO—Norway's coastal waters provide an abundant supply of marine food for many types of fish, the shallow waters above the continental plateau running out from the mainland are excellent fishing grounds, and the narrow waters between the numerous small islands and the deep fjords of the west coast serve as immense spawning grounds. Given these great natural advantages, the Norwegians have developed a profitable and important fishing industry.

According to the latest census, 68,442 Norwegians engage in fishing as their sole or chief occupation, and some 17 thousand others are employed as part-time fishermen. Many fishermen are also small farmers; others take shore work in the off seasons.

During World War II the Norwegian fishing fleet deteriorated but steps were taken to rebuild it, with government assistance, immediately afterwards. By 1949 the reconstruction was nearly complete. The fleet then consisted of 12,586 decked vessels, and several thousand open boats with or without motors. The average size of decked vessels is 40·6 feet. The Norwegian fishing fleet is thus composed of a large number of relatively small vessels, because most of the fishing is done close to the land. In 1950 only eleven trawlers of over 50 gross tons took part in any of the fisheries.

Herring and cod have always been the most important fish in these waters, but there are also plentiful stocks of saithe, haddock, ling, cusk, halibut and other fish.

Herring Fisheries

History shows that Norway's herring catches fluctuate widely. Good periods lasting 50 to 80 years have been interspersed with bad periods of some 30 to 60 years. The present good period began about 1885 and has, therefore, lasted some 67 years.

The herring fisheries are divided into Storsild, winter herring (large), fished extensively from January to April, and Vaarsild, spring herring. For commercial purposes, a date is set each year dividing the two. The price which the fishermen receive for winter herring is higher than for spring herring, but the dividing date has no effect on the prices of herring salted for export where quality is the deciding factor.

Two forms of tackle are now in general use in the herring fisheries, gill nets and purse seines. Gill net fishing is done with drift nets and bottom nets. Drift net fishing is used first each year and chains of from 30 to 50 nets are employed. Bottom nets are used (especially in the

southwest) as the herring approaches land to spawn. In season the fishing continues day and night. Of late years the practice has been for both drifters and bottom net boats to combine the two kinds of fishing. In 1949, 1,552 boats with some 10 thousand men on board were net fishing for herring.

Purse seine fishing for herring requires the use of rather larger vessels and these generally are about 80 to 120 feet in length with a crew of 15 to 20 men. The purse seine, which is from 170 to 200 fathoms in length, is set in a ring around the shoal by two motor dories. The seine is then pursed by motor power and the haul taken on board the mother ship. A cast of from 1,000 to 2,000 barrels is not infrequent using this method.

Types of Herring

Fat herring and small herring, which are forms of young winter herring, are fished during the summer and autumn. Much of this catch goes to the herring meal factories.

Between July and September some 200 of the larger Norwegian fishing vessels sail for Iceland to take part in the herring fisheries off that coast. The so-called Iceland herring is large and fat and the catch is either pickled or cured directly on board. Fishing is carried out with either purse seines or drift nets in the open sea.

Since 1946 there has also been a certain amount of trawling for herring in the North Sea and there are now some 70 to 80 vessels employed on this work between the months of July to October.

Sprats or Brisling may also be said to belong to the herring fisheries. They are caught in summer and autumn on the west and southwest coasts of Norway and a large percentage of the catch is canned. Stavanger is the centre of this industry.

The following table gives the herring fisheries' catches and their value in 1951:

	1951	
	Quantity (000's metric tons)	Value (millions of kroner)
Winter herring	888	144·6
Fat herring and small herring	289·9	49·6
North Sea herring	1·3	0·5
Iceland herring	17·0	14·3
Sprat (Brisling)	9·0	8·7

Cod Fisheries

The cod caught off the coast of Norway fall into two main groups—the coastal cod which is found all year round, and the Arctic-Norwegian cod which migrates at regular intervals from the Barents Sea towards the Norwegian coast and which forms the basis of the large seasonal Norwegian cod fisheries.

In January and February the large masses of Arctic cod begin to penetrate into Norwegian waters. This migrating cod is then large and heavy with liver and spawning starts in March. Skrei (spawning cod) fishing begins out to sea off the coast of Finnmark as early as November, when boats of some 40-60 feet in length go out 80 or 90 miles to banks in the Barents Sea, using long-lines as tackle. Smaller boats are used to cover the banks closer to the mainland. This first phase of the annual "skrei" fisheries yields some 10 thousand tons of cod a year.

By January the cod has come farther south and many are taken with gill nets when they pass the banks off the coast. The majority of the cod

67329—2

then swing into Vestfjorden to complete their spawning. They remain there until April, afterwards swimming out towards the Lofoten banks and thence northwards again.

The Lofoten cod fisheries are based upon this annual accumulation of cod in Vestfjorden. In recent years some 4,000 boats manned by about 20 to 25 thousand fishermen have been active in these fisheries. Decked motor-driven boats of approximately 40 feet in length are generally used because this fishing takes place close to land.

Some seasonal cod fishing also takes place farther south along the coast as far as the skrei penetrates. Coastal fishing for bank cod also continues throughout the whole year from north to south, usually with long-lines because the cod are rather scattered. In spring, Norwegian fishing vessels make their way to Iceland and the Faeroe Islands to catch cod and halibut. In summer they turn north to the Barents Sea and Spitzbergen. The coast of West Greenland is also an important summer fishing ground for cod. In such distant waters as the Barents Sea and Denmark Strait the catch is salted on board and transport ships are used to carry it to Norway. The 20 odd trawlers which Norway now owns play an important part in these summer cod fisheries.

The quantity and value of cod catches in 1951 were:

	1951	
	Quantity (000's metric tons)	Value (millions of kroner)
Skrei	149·8	75·9
Spring cod Finnmark	21·7	10·4
Bank cod	67·0	35·1
By-products of cod	35·3	31·7

Other Fisheries

Although herring and cod account for 90 per cent of the fisheries, there are many other types of fish caught in Norwegian waters. Of these, saithe is by far the most valuable. It is either eaten fresh in Norway, iced for export or converted to fishmeal. Saithe was one of the delicacies the Norwegian people were able to buy during the last war, its rather dry flesh apparently not being up to the German standards of taste.

Haddock is used for stockfish and filleting and for making fish balls and puddings. Most of the mackerel catch is consumed in the country, but nearly all halibut is exported. Gill net fishing for halibut has proved so successful that it is now regulated to protect the stock. Lobster and prawns (shrimps) are exported fresh and frozen, crab is canned extensively, ocean perch and catfish are used in the production of fillets, and fresh and frozen tuna is exported (in recent years to Italy). The increased catch of tuna during the summer of 1952 caused some debate about whether the canning of this fish, done on a small scale only, should be extended.

Exports

Annual catches fluctuate considerably and these variations react on the amounts of fish exported in any one year. This situation will inevitably continue, in spite of the present ten-year plan to modernize the fisheries and improve transportation to foreign markets. Following is a summary of the fish and fish products exported during the periods January to September, inclusive of the last two years. Each product shows the total amount exported for that period, together with the chief customer or customers and the amount taken by each.

	1951	1952
	(metric tons)	
Fresh and iced herring	61,151	49,720
West Germany	31,197	20,893
United Kingdom	15,919	12,490
Frozen herring	19,602	24,115
East Germany	4,735	7,099
West Germany	6,097	6,315
Fresh and iced fish (other than herring)	17,100	19,994
United Kingdom	12,149	10,073
Frozen fillets	9,263	9,512
United States	4,101	4,584
Austria	2,451	1,199
Israel	....	2,542
Whole frozen fish	8,111	8,962
East Germany	3,101	3,469
Italy	2,446	2,386
Dried fish	11,158	14,777
British West Africa	3,700	7,529
Italy	4,259	5,625
Codfish	30,543	39,680
Brazil	18,915	25,919
Cuba	3,552	4,785
Spain	2,360	4,051
Salted herring	50,006	59,191
U.S.S.R.	23,524	32,739
East Germany	11,641	12,135
Sweden	7,011	8,948
Salted fish (other than herring)	2,409	619
Italy	1,791	....
Belgium and Luxembourg	....	214
Canned fish	26,359	18,466
United States	7,281	7,419
United Kingdom	5,127	3,576
Herring and fishmeals	112,201	107,767
United Kingdom	64,229	24,914
United States	12,060	37,162
West Germany	10,847	20,793
Steamed medicinal codliver oil	4,699	3,102
United States	1,026	648
Holland	596	422
Poland	....	405
Other fish oils	17,333	11,160
West Germany	6,260	3,258
Sweden	1,487	1,282
Denmark	1,921	1,155
United Kingdom	1,214	980

Future Prospects

A strong movement is now under way to modernize and improve the Norwegian fisheries, especially in north Norway. On the advice and proposals of the Directorate of Fisheries, government grants have been made or are about to be made which, with extra capital subscribed by various municipalities, total about 13 million Norwegian kroner. This money is the first stage in the proposed ten-year development plan for the fisheries in north Norway. It is estimated that a further 144·5 million kroner will be needed to complete the development. The ten-year plan envisages not only the building of new and improved fishing vessels but also equipping existing ones with modern devices, building trade schools, processing plants, accommodation and water supplies. The plan also includes the building of a second scientific research vessel.

The Norwegian fishing industry appears to be expanding in both the annual tonnages caught and the turnover value of the landed catches.

—J. L. Mutter
Commercial Secretary for Canada

67329—2½

If You Export to the United States . . .

LISTED below are publications of particular interest and value to Canadian exporters anxious to enter the United States market or to expand their business there. These are only a few of the titles collected in the December issue of the Office of International Trade's *Business Information Service,* World Trade Series No. 339. This may be obtained from the Publications Division, U.S. Department of Commerce, Washington 25, D.C., for 20 cents.

Market Research Sources

U.S. Department of Commerce, 1950. 261 pp., $2.25.

A national inventory of available market research material. Sources of prepared data useful in measuring market potentials, setting sales quotas, selecting distribution channels, planning advertising campaigns, and analyzing present and future prospects.

Order from: Field Offices, Department of Commerce, or Superintendent of Documents, Washington 25, D.C.

Buying Power Index

Marketing Division, Hearst Magazines, Inc., 1948. 55 pp., $5.00.

An index of 608 principal trading centres and consumer trading areas, according to their rank in sales potential.

Order from: Hearst Magazines, Inc., 57th St. at 8th. Ave., New York, N.Y.

How Manufacturers Reduce Their Distribution Costs

U.S. Department of Commerce, 1949. 151 pp., 35 cents.

Case studies and actual experiences of a selected group of manufacturers who have achieved substantial reductions in marketing costs through various methods.

Order from: Field Offices, Department of Commerce, or Superintendent of Documents, Washington 25, D.C.

Keys to Selling Department Stores

Fairchild Publications, Inc., 185 pp., $3.00.

The status of department stores in today's distribution picture. How to interest top executives; how to get the co-operation of the store in promoting your wares; the growing importance of central buying and chain stores.

Order from: Fairchild Publications, Inc., 7 East 12th St., New York, N.Y.

Selling the United States Market

U.S. Department of Commerce, 1951. 211 pp., $1.00.

A guide book for manufacturers and distributors, describing how to develop and market products in the U.S. Designed as a practical guide for new and small businesses seeking to learn something of the scope of the U.S. market and how goods and services are sold and distributed there.

Order from: Field Offices, Department of Commerce, or Superintendent of Documents, Washington 25, D.C.

Customs Information for Exporters to the United States

Bureau of Customs, U.S. Treasury Department, 1950. 93 pp., 25 cents.

Outlines of procedures and requirements for preparation of certified invoices for merchandise imported into the U.S., and how to facilitate these imports.

Order from: Superintendent of Documents, Washington 25, D.C.

Import Requirements of the United States Food, Drug and Cosmetic Act

Food and Drug Administration, Federal Security Agency, 1947. 55 pp., 20 cents.

Lists the principal requirements of food, drug and cosmetic laws, and some general provisions applicable to import of products coming under these laws. Also gives suggestions to foreign exporters and U.S. importers on how to expedite entries.

Order from: Superintendent of Documents, Washington 25, D.C.

Modern Export Packing

U.S. Department of Commerce, 1941-42. 530 pp., $1.75.

A comprehensive manual describing the basic principles of packing export merchandise.

Order from: Field Offices, Department of Commerce, or Superintendent of Documents, Washington 25, D.C.

Chain Store Guide, 5 cents to $1.00 and General Merchandise Edition

Chain Store Business Guide Inc. Annual. 217 pp., $10.00.

Lists 1,449, 5 cents to $1.00 and variety store chains, and 1,681 general merchandise chains, addresses of buying headquarters, numbers of stores operated by each, and names of buyers.

Order from: Chain Store Business Guide, Inc., 145 E. 32nd St., New York 16, N.Y.

Concerns in the Mid-Continental Area Interested in Importing Cosumer Goods

International House, New Orleans, 1949. 14 pp., free.

Firms in the states of Alabama, Arizona, Colorado, Florida, Illinois, Kansas, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska,

New Mexico, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas and Wisconsin, interested in importing consumer goods, listed alphabetically by states, and giving commodities handled.

Order from: International House, 607 Gravier, New Orleans, La.

Concerns in the Mid-Continental Area Interested in Importing Foodstuffs

International House, New Orleans. 5 pp., free.

Firms in the states of California, Illinois, Kentucky, Louisiana, Michigan, Minnesota, South Carolina, Tennessee, Texas and Wisconsin interested in importing foodstuffs, listed alphabetically by states and giving commodities handled.

Order from: International House, 607 Gravier, New Orleans, La.

Concerns in the Mid-Continental Area Interested in Importing Raw Materials and Allied Products

International House, New Orleans, 1951. 10 pp., free.

Firms in the states of Alabama, Arkansas, California, Florida, Georgia, Illinois, Indiana, Louisiana, Minnesota, Mississippi, Missouri, North Carolina, Oklahoma, Pennsylvania, Tennessee, Texas and Wisconsin, interested in importing raw materials and allied products, listed alphabetically by states and giving commodities handled.

Order from: International House, 607 Gravier, New Orleans, La.

Directory of United States Import Concerns, 1951 Edition

The Journal of Commerce. 112 pages, $5.00.

This directory was compiled from actual ship manifests and edited by the *Journal's* staff. It lists import companies and individuals who have actually imported merchandise into the U.S. over the past two years, as reported in the weekly Import Bulletin listings. It contains more than 10 thousand names and addresses, taken from official records and broken down into the ten major import merchandise categories. Listings for each category are arranged alphabetically.

Order from: The Journal of Commerce, 63 Park Row, New York 15, N.Y.

Modern Packaging Encyclopaedia

Breskin Publishers, 1949. 950 pp., $6.50 in U.S., $11 abroad.

Includes a buyers' guide which lists suppliers of any type of package, material, equipment and service.

Order from: Breskin Publishers, 122 E. 22nd St., New York 17, N.Y.

—G. A. Browne
Commercial Secretary for Canada
Washington, D.C.

Report on IMC

Three committees of the International Materials Conference were dissolved in 1952, as supply of certain raw materials improved. Only four commodities now remain under allocation.

WASHINGTON—During 1952, the International Materials Conference reduced its activities as the free world position of a number of basic raw materials gradually improved. Committees of the Conference have just completed international allocation plans for the first quarter of 1953. These plans involve four commodities only—copper, molybdenum, nickel and sulphur. A year ago eight commodities were being allocated and another seven were under study by the committees concerned. Cobalt and tungsten were recently dropped from the international critical list.

Three committees recommended their own dissolution to member governments when it became apparent no further action was needed on the commodities assigned to them. These were:

- The Pulp-Paper Committee, which in 1951 and early 1952 studied the newsprint, dissolving and kraft wood pulp situations and which recommended several emergency allocations of newsprint only.
- The Cotton-Cotton Linters and Wool Committees which, since the beginning of the Conference in early 1951, had served mainly as study groups without taking formal action on the commodities under their jurisdiction.

Other committees during the year recommended no action on such items as lead and manganese, shortages of which threatened the free world immediately after the outbreak of the Korean war. Zinc allocations were also abandoned in mid-April.

Encouraging Results

Much of the IMC committee work in 1952 concerned implementation of their recommendations. For the most part, the studies showed that the levels of consumption agreed on in advance of production conformed to actual output during the period. The few small adjustments made in subsequent quarterly allocation plans were insignificant and indicated that most countries voluntarily conformed to IMC plans to a remarkable degree. The studies also showed that many smaller countries, whose supply of certain critical materials had been seriously jeopardized before the IMC was set up, received supplies which they would not otherwise have obtained. At the same time, the larger consuming countries got appropriate shares of the available supply—in terms of past consumption, increased production, and their current defence and other needs—of such materials as nickel, cobalt, tungsten, molybdenum, copper, zinc and sulphur.

Action by the IMC in 1952 concerned:

1. For sulphur—two half-yearly allocation programs;
2. For nickel, copper, tungsten, molybdenum, and copper—four quarterly programs;

3. For zinc—two quarterly programs, of which the second scheme was abandoned in mid-April.

It is expected that a balance between supply and demand of the free world for some of the items still under allocation will be achieved early in 1953. For example, copper and sulphur allocation plans could be dropped as a result of committee recommendations if no further and unforeseen short-term pressures on supply develop during the next few months. This would leave nickel and molybdenum as the last two items subject to IMC recommendations. Future defence and U.S. stockpiling needs of both, however, are likely to prolong the need for international action in these two items.

Canada is still represented on the four remaining commodity committees of the Conference and on the Central Group, the secretarial and budgeting unit of the Conference. During 1952, however, the Central Group became trustee of the disbanded committees which it could rapidly re-create with inter-governmental approval should the international materials situation again deteriorate seriously.

—S. V. Allen
Commercial Counsellor for Canada

New Zealand's Logging Program

WELLINGTON—In the latter part of the 19th century New Zealand adopted a plan of reforestation and afforestation and planting continued until 1916. Today, of the 17 million acres under forest, nearly a million are covered with planted exotic forests of insignis, penderosa and Corsican pine, and Douglas fir, which have attained or are about to attain maturity.

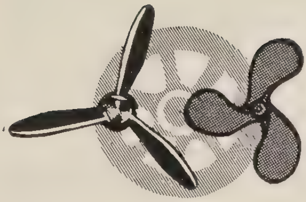
Wide-scale cutting will begin in the very near future. The state forests of exotic woods comprise some 454 thousand acres and all logging there will be done by the Department of Forestry. The first of these forests will come into production in conjunction with the Tasman Pulp and Paper Company's project at Murupara. Scene of operations will be a small corner of the Kaingaroa forest which occupies an area of approximately 350 thousand acres criss-crossed by some 600 miles of roadways. For the most part, slash-cut logging will be used but there will also be a fair percentage of selective cutting. A second project will shortly be coming to maturity in the South Island near Nelson, where some 40 thousand acres will be felled.

The forestation cycle in New Zealand is approximately 35 years for lumber stands and 20 for pulpwood. In this way, with reforestation commencing with the first logging, New Zealand will have a perpetual supply.

This new phase in New Zealand's forestry will mean the acquisition of great quantities of logging machinery and equipment of practically every type, with particular stress on chain saws, cable and wire rope with accessories, logging trailers, and arches and axes.

Canadian manufacturers of these and other types of logging equipment who are interested in this market should write to the Commercial Secretary for Canada, Wellington, N.Z.

—L. S. Glass
Commercial Secretary for Canada



TRANSPORTATION NOTES

The South African Picture

JOHANNESBURG—The major land transport services of South Africa are provided by the State and are controlled by the Railway and Harbours Administration which employs approximately 102 thousand Europeans and 92 thousand persons of other nationalities. In addition to railways and harbours, the Administration operates road motor services and the South African Airways.

The railways cover some 13,500 route miles. The equipment consists of 2,400 steam and 220 electric engines, well over 74 thousand merchandise-carrying boxcars (representing a total carrying capacity of approximately 2·3 million tons) and some 5,600 passenger vehicles.

Road motor services function as feeder services to the railways over routes totalling 26,300 miles. The vehicles used include some 1,000 for passengers and goods and 700 trailers.

South African Airways have a fleet of 26 aircraft and provide trunk, regional and internal services. In partnership with BOAC, South African Airways operate the Springbok Service between the Union and the United Kingdom.

All the main harbours in the Union are controlled by the Railway Administration, which provides all harbour facilities and harbour craft.

This, in brief, is the overall setup of the transport system in South Africa. The railways constitute the principal, and by far the greatest, service of the Administration and provide the foundation for the entire economic structure. It goes without saying that the railways have played a vital part in the country's industrial development.

Any review of transportation in South Africa today must take into account the enormous increase since the war in all fields of production. The best illustration of the phenomenal industrial growth is a comparison of the volume of traffic carried by the railways just before the war with that since the war. During 1939 the railways transported 36 million tons of goods; the figures for the subsequent financial years, ending March 31, are as follows:

	Tons
1941	39,665,564
1942	40,522,350
1945	48,287,765
1946	48,205,806
1947	49,913,333
1948	52,614,456
1949	55,322,965
1950	58,671,684
1951	62,133,709
1952	65,169,772

Apart from this considerable overall increase from 1939 to 1952, there has also been a steep rise since 1948 in the annual rate of increase. Though the increase in volume of traffic between the years 1941 and 1942 was 22 per cent, the percentage increases since 1948 have been 5·4, 5·2, 6·1, 5·8 and 5 respectively.

—Blair Birkett
Canadian Government Trade Commissioner

AUSTRALIA

Shipping Board Makes Profit—A net profit of £408,569 has been made by the Commonwealth Shipping Line for the year ended March 31, 1952. For the nine months ended March 31, 1951, there was a loss of £534,143. The accumulated deficit since the line commenced operations in 1946 was £2,286,961 at March 31, 1952, when the Shipping Board controlled 32 Commonwealth-owned ships and seven chartered ships—Sydney, December 30.

CHILE

New German Steamship Services—Representatives of the Hamburg-Amerika Line and Norddeutscher Lloyd will, in combination, re-establish German shipping services to Chile via the Panama Canal with six vessels of 8,200 tons each. The first ship is scheduled to arrive in Valparaiso by the middle of February—Santiago, January 10.

Pacific Coast Maritime Service—A new Pacific Coast maritime service between Chile, Central America, Mexico, the United States and Canada has been announced by Compania de Navegacion Inter-oceanica. The port of arrival in Canada will be Vancouver. The new service, which appears to be sponsored by the Ministry of Economy, will begin during the latter half of January—Santiago, January 13.

COLOMBIA

Port Charges Raised—Commercial ships calling at Colombian ports now pay higher lighthouse and buoy charges. Provisions of decree No. 1883 of August 9, effective January 1, are as follows:

- All ships entering Colombian ports at any time of day or night will pay a fee of five pesos for each lighthouse or luminous buoy in port or in the approach to the port.

- All ships touching at Colombian ports with the exceptions here noted will pay for each ton of registry 10 centavos for each radiophare in port, 5 centavos a ton for each port beacon or lighthouse, and 2 centavos a ton for each coastal lighthouse passed en route.

- Colombian ships engaged in coastal trade pay only one-half these charges.

- Ships making courtesy calls and warships of friendly nations are exempt from these charges.

West Germany

Markets for Motor Vehicles

With production already exceeding prewar figures and with an urgent need to expand their foreign markets, German motor manufacturers are undertaking sales campaigns in many countries, including Canada.

BONN—The recent appearance of German passenger cars in Canada and in many other countries has brought considerable speculation, both in trade circles and on the part of potential owners, about the revival of the West German motor vehicle industry. Production figures for the first nine months of 1952 (315,354 vehicles of all types) should give competing industries in other countries food for thought, even if they have not yet felt the full impact of the German drive for foreign markets.

The slogan "export or die" fits Western Germany* perfectly and the German automobile industry is considered one of the main instruments of export success. From January to the end of September 1952, West Germany exported vehicles and parts to a value of 722 million D marks and imported 40·7 million D marks worth. This leaves an export surplus of approximately $170 million, with the last quarter's figures still to come.

Regaining Prewar Place

In 1951, Germany came fifth in world production of automobiles (including passenger cars, trucks and buses) with 373,615 units. Canada's output totalled 413,345 units. If the rise in production continues, Germany may well regain her prewar position of the third largest producer, after the United States and the United Kingdom.

The automobile industry was seriously damaged by the war and it was not until 1949 that mass production was achieved. Before that, only the Volkswagen was produced on regular assembly lines.

The breakdown in transportation facilities, a ban on pleasure travel, and the extreme difficulty of obtaining rationed gasoline meant that German production efforts were largely concentrated on commercial vehicles during the years 1945 to 1948. Not until 1949 did the production of passenger cars exceed that of all other vehicles combined. Then, of the 29,945 passenger cars produced, 19,127 were made by Volkswagen. The only other major producers in 1948 were Daimler-Benz and Opel, with 4,608 and 6,088 respectively. Today production of passenger cars and station wagons continues to rise steadily but commercial vehicle production is relatively stagnant. This is partly because of the versatility of the station wagon which has undoubtedly encroached on the delivery

* This article makes no reference to the Eastern Zone of Germany because accurate statistics and other information are not available.

van market. Another reason is the slower replacement rate of commercial vehicles now that postwar demand has been partially filled.

Producing for Foreign Markets

The specific question arises—which German vehicles will probably provide the greatest competition in foreign markets generally accepted as being the preserve of a manufacturer or nation producing a certain type of automobile. Volkswagen seems to be the outstanding producer, with slightly more than one-third of the total output to its credit. Opel is next, with about two-thirds the production of Volkswagen. These two are followed by Daimler-Benz, Ford, and Auto-Union. Other producers trail badly behind. (Porsche might be considered as a long-term proposition.)

Of the top five it is fairly safe to eliminate both Opel and Ford as possible large contenders for all foreign markets. Opel is closely associated with General Motors and it is unlikely to expand to a point where it would compete with other General Motors associates, except in neighbouring countries considered traditional German markets. The Ford situation is somewhat similar, for, though the most recent model is modern in design and is very popular in the home market, it is not expected to compete seriously with other Ford subsidiaries in foreign markets. Auto-Union products, fairly well known in some parts of Europe, are unlikely to be a serious competitive threat for some time to come.

The remaining contenders for foreign markets are Volkswagen and Daimler-Benz. These two do not compete with each other. The Volkswagen is a small car comparable to the French Renault, the British Morris Minor, or the Italian Fiat, although slightly more substantial and higher-priced. The Daimler-Benz products, on the other hand, may be classed

—Tritschler

Automobiles on the assembly line at the Volkswagen plant in West Germany. Recently this company introduced an export model; is planning to increase its export sales by 50 per cent over 1951.

as medium and large-size cars. They are substantial and conservative in line and, in general, appeal to the upper middle class. Their strong points are the diesel motor available for the 170 D model and their reputation for reliability.

The Volkswagen drive for foreign markets is best illustrated by the recent introduction of a new export model. In external appearance the car remains the same, but various improvements have been made at no increase in price. The company plans to step up production to an average of 550 passenger cars a day in 1953 and to increase its export sales by 50 per cent over 1951. In 1950, exports of passenger cars by this firm totalled 27,888 and in 1951 were 32,035—approximately one-third of total production.

Sales to Europe

In its drive for overseas export markets the German automobile industry has been much handicapped by the loss of its prewar commercial contacts in foreign countries. For this reason, exports to European countries greatly exceed in volume and value exports to all others. Those European countries with the strongest economic ties with Germany—Belgium, The Netherlands, Switzerland and Sweden—have been and are expected to remain the largest purchasers.

Particularly noteworthy are rising Swiss purchases, a reflection of the gradual displacement of British manufacturers as the predominant suppliers. The Belgian figures also show a rise in sales, although this is not so marked as for Switzerland. Though these trends are most encouraging to the German manufacturers, the relative stagnation of the Swedish market and the decline in Dutch purchases have rather tended to offset the gains. Meanwhile exports of replacement parts, although growing, have not yet reached a high volume because most of the German vehicles in operation in these countries are relatively new.

Now that they have firmly re-established themselves in these key countries, the exporters are turning their attention to secondary areas, both to diversify their markets and to establish a wider reputation for servicing and serviceability. The latter will, it is felt, tend to help sales in the key countries. This action was taken after comparing the efforts required to increase sales in established markets with results of similar efforts expended elsewhere.

In Africa and Asia

In the African market the major importers, as might be expected, are the Union of South Africa, which has been importing approximately 50 per cent of the total for the entire continent; Egypt, which imported 848, 1,578 and 506 passenger vehicles in the years 1950, 1951 and the first half of 1952 respectively, and French Morocco, which imported 79, 1,608 and 1,102 vehicles in the same periods. The most remarkable feature is that importing areas on the African continent have increased from 11 in 1950 to 22 in 1951, and 20 are listed for the first half of 1952. The desired diversity has apparently been achieved there, but it remains to be seen whether the rift between the Arab world and the German Republic as the result of the German-Israeli agreement will work against extension of the foothold gained.

The Asian market for German vehicles has not developed as extensively as expected. The largest potential markets fall within the sterling area and British manufacturers are firmly established. Prospects for sales to China are not bright. The notable exceptions to these conditions are Japan, to a certain extent the Middle East, and Indonesia. Exports to Japan in 1951 totalled 71 vehicles and in the first half of 1952, about 60. Exporters feel that this market can be developed and, at the request of the Japanese, prominent German producers in 1951 visited Japan to open up and develop the market. Exports to Indonesia increased from two vehicles in 1950 to 460 in 1951. However, in the first half of 1952 this went down to 119. The Middle East has, until the recent dispute over German reparations to Israel, appeared to the Germans to be a familiar market which, although small, would provide a steady outlet.

Australia and New Zealand have been considered excellent, if limited, outlets for German vehicles. However, the continuing monetary difficulties of the sterling area have led to some scepticism about this market and the practicability of building up an extensive organization to sell products which the U.K. has in abundance and which might be considered, for the purpose of bilateral agreements, luxuries.

Selling to South America

South America stands next to Africa among the continents other than Europe which have imported German vehicles. The Germans have great hopes for sales there and have done considerable development work. The continuing shortage of dollars in most of the countries and the willingness of many of them to conclude trade and payments agreements with Germany combine to create ideal conditions for expansion of German exports. Moreover, the natural resources being developed in South America in many cases complement the German economy. It is thus considered a natural long-term outlet for German industrial products in general and for motor cars in particular.

The largest South American buyer has been Brazil, which imported 780 German passenger vehicles in 1950, 3,239 in 1951, and 1,305 in the first half of 1952. In the past few months difficulties have arisen in maintaining a balance in the German-Brazilian payments agreements. This has given proponents of a more aggressive South American export policy somewhat of a setback. It has been reported that the unbalance in this particular agreement reached $80 million in Germany's favour earlier in the year, and that numerous German firms found it difficult to obtain payment for goods already delivered. Various devices have been used to balance the funds involved and this total has been considerably reduced. However, as much of the trade with South America is based on similar agreements, some have questioned the reliability of the market.

Vehicle exports to Argentina totalled 571 in 1950, 1,890 in 1951 and 472 in the first half of 1952. Sales to Uruguay equalled 408 in 1950, and 808 in 1951. Other countries are showing excellent promise.

Prospects in Canada

Partly because of the supposed instability of this Latin American market, attention is now being turned to the great, and as far as Germany is concerned, virtually untapped North American market.

The largest North American purchaser of German vehicles has been the United States. The U.S. imported more than half of the total exports to North and Central America. Mexico has also purchased a number of vehicles; however, total vehicle imports from Germany for the entire area have not been large and probably could be substantially increased. Until the second half of 1952, no German vehicles were shipped to Canada. However, as part of the campaign for the North American market, some Volkswagen were shown at the 1952 Canadian National Exhibition and, as a result of the orders obtained there, a fairly large shipment has recently gone forward. The Volkswagenwerke has established a Canadian subsidiary to set up a distribution and servicing system in Canada both for its passenger cars and for its delivery vans. By establishing itself in the Canadian market, it hopes to obtain the know-how for full-scale North American operation. It could then use its Canadian facilities to extend and increase its sales to the U.S. The view taken is that these activities must be on the basis of a long-term growth in the market and that, for a variety of reasons, it is easier to influence the Canadian buyer than his American counterpart in favour of the small European type of car.

A reflection of the position the German industry holds in European eyes is the scheduling of the Thirty-sixth International Automobile Exhibition for Frankfurt from March 19 to 29, 1953. This is the second time since the war that the Exhibition is to be held in Germany. At the last such exhibition, held in Frankfurt in 1951, there were 501 West German and 36 foreign exhibitors. Visitors totalled 600 thousand, of which 40 thousand were foreigners. The 1953 fair is expected to be an even greater success.

—W. Jones
Assistant Commercial Secretary for Canada

Detailed statistics on the production and export of motor vehicles in Western Germany may be obtained by writing to the Commodities Branch, Department of Trade and Commerce—The Editor.

TRANSPORTATION

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

The Fisheries and the Future

The Government's interest in modernizing the fisheries is expected to help a vital but under-developed industry attain greater importance.

KARACHI—The recent announcement by the Pakistan Government that it will build a large new fisheries harbour at Karachi has aroused general interest in this country's fisheries.

Pakistan actually has rich fish resources in the waters of the Arabian Sea and Gulf of Oman on its west coast and in the Ganges Delta and Bay of Bengal on its east coast.

East Pakistan, with its large lakes and rivers, is also exceptionally rich in inland fisheries. Altogether, 95 per cent of the total area of Pakistani waters in which fishing can be developed are in East Pakistan.

The chief commercial varieties landed on the East Pakistan coast are what is locally known as "Bhetki"—mullets, thread-fins, pomfrets, sharks, skates, and rays. On the west coast the commercial catches consist chiefly of mackerel, perch, Indian salmon, catfish, mullet, herring, anchovies, and crustaceans.

Economic Importance

The fisheries have great economic importance for Pakistan. In 1951 about 411·5 million pounds of fish, valued at Rs. 110·5 million, (approximately $33·1 million) were landed in the country. During the same year, Pakistan exported fish and fishery products valued at Rs. 14·9 million (approximately $4·4 million). Rupees 9 million (approximately $270 thousand) was spent in importing fish and fish products, mostly fish oils, with or without vitamin content.

Fish plays an important part in the Pakistani diet. During 1951 consumption of fish reached 295·2 million pounds, of which 242·8 million pounds represent East Pakistan consumption. Rice and fish constitute the staple food of the East Pakistanis and no less than 90 per cent of the people eat fish regularly. They prefer it unsalted and sun-dried. Along most of the west coast of Pakistan fish is also popular, but in the interior of West Pakistan few people use it.

The present fishing industry in Pakistan is under-developed but it has latent possibilities. The fishermen know little about modern methods.

—U.N. Photo

Landing the morning's catch in a Pakistani harbour. Because fish abound in its waters and forms an important part of the people's diet, Pakistan is trying, with FAO aid, to develop new techniques of catching, processing and marketing fish.

Moreover, there are few proper facilities for handling, transporting, preserving and processing the fish—to say nothing of marketing it.

The export of large quantities from East Pakistan to Calcutta, despite the lack of fish in the interior of East Pakistan, is a direct result of the inadequacy of transportation and marketing facilities. This condition, inevitable at present, will probably continue until facilities improve.

During 1951, about 2·5 million pounds of shark liver were produced but none of it was processed for oil. However, it is reported that the Pakistan Government will establish plants to use these raw materials.

Planning for Tomorrow

Pakistan's fishery resources are capable of yielding a much greater harvest than they do today. To obtain the increase it will be necessary to improve present techniques, and bring about many changes in craft and other equipment. Fortunately, well-organized fisheries departments are formulating development schemes and some of them, such as the fisheries harbour at Karachi, are becoming a reality. It will need considerable capital investment to implement these schemes and it will have to come from sources other than the fishermen themselves, for they are not well off. It is hoped, however, that ways and means will be found to finance development of this important phase of Pakistan's economy.

—A. P. Bissonnet
Commercial Secretary for Canada

COMMODITY NOTES

AUSTRALIA

Coal—The first postwar shipment of New South Wales coal will leave Sydney next week for Japan, part of the 30-thousand-ton order placed by that country. The Joint Coal Board is trying to increase exports of New South Wales coal to the Far East as an outlet for the excess production—Sydney, January 6.

BRAZIL

Castor Seed—There is a strong demand for castor seed both from local factories and abroad but the harvest has now ended with very little in the hands of exporters. Oil factories, however, have sufficient stocks to last them until the end of the year. The United States is the largest buyer but France has entered the market lately, quoting higher prices. The f.o.b. price (bagged) was US$210 per long ton at the end of October, compared with US$170 on September 30. The mid-crop due in January is expected to be a bumper one, as climatic conditions have been favourable—Rio de Janeiro, January 6.

ITALY

Azote Fertilizer—Montecatini, the largest chemical organization in Italy, has begun to produce azote fertilizers at Novara, using methane gas as a basic raw material. This is the first factory in Italy to use this method. It will have an annual potential output of 35 thousand tons of azote and 450 thousand tons of ammonium sulphate, as well as a considerable production of various azote products for industry.

Another Montecatini plant, nearing completion at Ferrara, will also produce azote from methane gas but on a larger scale than that at Novara—Rome, January 18.

JAMAICA

Pineapple—The Governor of Jamaica, Sir Hugh Foote, officially opened the pineapple canning plant of the Pineapple Company of Jamaica on January 7. This plant is situated at Bog Walk, approximately 20 miles northwest of Kingston. It is equipped with the most modern machinery and has a capacity production of 500 thousand cases of pineapple a year. Approximately 100 persons will be

employed at the height of the canning season and 200 additional workers will probably be required to cultivate the 500 acres being cleared for the production of pineapple. The company intends to supply reliable local farmers with suckers to provide additional fruit for the canning plant—Kingston, January 8.

MEXICO

Sugar—Production of sugar from the 1952 cane crop will total 725 thousand metric tons, compared with 690 thousand metric tons last year, the National Union of Sugar Producers reports—Mexico, D.F., January 5.

Metals—Sales abroad of industrial and precious metals during the first ten months of 1952 indicate the healthy state of the mining industry. They were: copper, 32,961 metric tons (186·8 million pesos); lead, 168,111 metric tons (535·8 million pesos); zinc, 33,047 metric tons (121·2 million pesos); refined silver, 444 metric tons (104·5 million pesos); minted silver, 607 metric tons (121·4 million pesos).

This trade represented 26 per cent by value of the nation's exports in January-October—Mexico, D.F., January 5.

SCOTLAND

Steel—Scottish steelmakers have substantial contract books, and this is expected to continue because all the leading consumers are heavily booked. Shipyards have four years' work on hand, producers of power plant have at least ten years' contracts to fulfil, and wagon and locomotive builders have enough orders to keep them going for a couple of years—London, January 20.

SPAIN

Oranges—The orange crop now being harvested is officially estimated at 1·4 million tons, of which approximately one million tons will be available for export. The French market is expected to absorb about 220 thousand tons and Germany will take even more. The remainder will be shared by the United Kingdom, Spain's best orange customer, Scandinavia and Benelux. All these countries are traditional markets for Spanish oranges and last year bought 700 thousand tons—Madrid, January 10.

WEST GERMANY

Refrigerators—Production of refrigerators in West Germany increased from 7,600 tons in 1950 to 14,200 tons in 1951. Production for 1952 was expected to be about 20 thousand tons, an increase of about 40 per cent compared with the previous year. It is estimated that today 7 per cent of all households in West Germany have electric refrigerators, as compared with 80 per cent in the United States. Market prospects are therefore considered favourable for this year—Bonn, January 3.

United Kingdom

The High Cost of Housing

Supplying the still urgent demand for houses in the U.K. proves difficult because building costs continue to rise and productivity to fall.

LONDON—Two hundred and twenty-three thousand United Kingdom homes were completely destroyed by enemy action during the last war and 551 thousand others were severely damaged. Replacing these homes and building the additional ones needed—because of the expanding population, higher living standards, natural wastage of old buildings and the virtual cessation of house-building during wartime—has been a major problem in the U.K. since 1945.

Despite the many other demands on the country's labour supply and material resources, the energies of successive governments have been directed towards speeding up the building program. Subsidies are provided by the Ministry of Housing and the local authorities are encouraged to pursue a vigorous construction policy. But the economic difficulties of the country have dictated the limits of the program and prevented any lavish expenditure. However, with greater efficiency developed in the industry, a larger number of buildings should be produced with the available financial and material resources. It has been disappointing, therefore, to see building costs rising and productivity falling almost continuously since the war.

Building Figures

The number of permanent dwellings completed in England and Wales from the end of the war to December 31, 1951, was 902,524. At the end of 1951 there were 186,124 dwellings under construction and 74,991 approved or licensed, but not started.

To improve efficiency in the building industry the Minister of Health appointed in 1947 a Committee of Enquiry into the cost of house-building. This committee has recently produced its third report, a most disappointing one. It shows that the average brick-built, three-bedroom Council house completed in October 1951 cost £1,450 to build, compared with £1,321 for a similar type of house in October 1949 and £1,242 in October 1947. Land, site works, and professional fees added £240 (against £194 in 1949), bringing the total cost of £1,690 compared with £1,515 in 1949 and £1,400 in 1947. The cost of a local authority house, even in the best postwar year, was more than three times the cost of its counterpart in 1938.

Even more disturbing is the fall in the output of the labour force engaged in the industry. Output per man in 1949 was still 20 per cent lower than before the war; in 1947 it was 31 per cent below. There was no evidence of any further improvement in 1951, when five men were

needed to do the work of four before the war. A return to prewar productivity would enable the same number of workers to produce 25 per cent more houses and to save £100 on each house.

A system of incentive payments was devised some years ago to improve productivity, but it has not helped. In 1949, 50 per cent of houses were being built under incentive schemes but there seems no evidence of further progress in the spread of these bonusing arrangements.

Mechanization in the building industry is noticeably slow. Although 630 tons of material have to be moved in constructing a house weighing 130 tons, the average building worker has only half a horsepower of mechanical equipment at his disposal. This compares with three to four horsepower for farm workers.

Aside from getting more houses per manhour in the building trades, some contribution to lower costs has been made by adopting improved designs. There is still room for improvement here, and also in applying mass production techniques to those parts of houses which can be standardized. If savings of this latter type had not already been made, the 1951 figures would have been much worse. The estimated net increase of £129 in the building cost of the average 1951 house, compared with 1949, included: an increase of £40 in labour costs, £136 in materials costs and plant charges, and £16 in overhead charges and profit. A saving of £63 resulted from economies in design and specifications.

—R. P. Bower
Commercial Counsellor for Canada

SOUTHERN RHODESIA

Import Control in 1953—The import control authorities of Southern Rhodesia have announced that the dollar import allocations for the year ending December 31, 1953, will amount to £3,900,000. This represents a reduction of over £1 million in dollar allocations from 1952 (£5,050,000). Categories of goods of importance to Canada showing reduced allocations are wheat, timber, kraft paper, and mining and industrial machinery. No provision is made for the purchase of wood pulp from dollar sources. The allocations for these goods for 1953 with previous period allocations in brackets are: wheat, £50 thousand (£198,972); timber, including plywood, £357,500 (£441 thousand); kraft paper, £32 thousand (£125 thousand); wood pulp, no allocation (£70 thousand); mining and industrial machinery, £475 thousand (£550 thousand). As import permits are issued on a half yearly basis, quotas for the first six months of 1953 will be approximately half of those given for the whole year.

Import permits when granted may be used for importations from the dollar area or from any other non-sterling country except Japan (sterling imports not subject to control). However, as separate allocations are made for imports from non-dollar and non-sterling areas, except Japan, it may be assumed that dollar allocations will be used to import chiefly from the dollar area.

A complete list of the various categories of goods giving dollar allocations may be obtained upon request from the International Trade Relations Branch, Department of Trade and Commerce—Editor.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalents multiply by 1·03026.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Jan. 22*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1294	(1)
		Basic buying	·1941	
		Preferential selling	·1941	
		Basic selling	·1294	
		Free	·0699	
Austria	Schilling		·04543	
Australia	Pound		2·1860	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01940	
Bolivia	Boliviano	Official	·01618	tax 5% (1)
		Differential	·00966	tax 3% (2)
British West Indies	Dollar		·5693	(3)
	Pound		2·7325	(4)
	Dollar	Brit. Honduras	·6831	
Brazil	Cruzeiro		·0525	tax 8% (2)
Burma	Kyat		·2049	
Ceylon	Rupee		·2049	
Chile	Peso	Official	·03126	(1)
		Commercial	·01616	
		Free	·00829	
Colombia	Peso	Basic	·3882	tax 3% (2)
		Coffee buying	·4231	
Costa Rica	Colon	Official	·1733	(5)
		Free	·1463	*Nov. 28
Cuba	Peso		·9706	tax 2%
Czechoslovakia	Koruna		·01941	
Denmark	Krone		·1405	
Dominican Republic	Peso		·9706	
Ecuador	Sucre	Official	·06471	(6)
		Free	·05611	
Egypt	Pound		2·7872	
Fiji	Pound		2·4617	
Finland	Markka		·00422	
France	Franc		·00277	
French Africa	Franc		·00555	
French Pacific	Franc		·01526	
Germany	D Mark		·2311	
Greece	Drachma		·000065	
Guatemala	Quetzal		·9706	
Haiti	Gourde		·1941	
Honduras	Lempira		·4853	
Hong Kong	Dollar	Free	·1609	*Jan. 9
Iceland	Krona	Official	·05960	
		Special buying	·04583	
		Special selling	·03724	
India	Rupee		·2049	
Indonesia	Rupiah	Basic	·08514	
		With Surcharge I	·04257	(7)
		With Surcharge II	·02838	
		Dollar certificate	·00183	*Dec. 15

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Jan. 22	(See below) Notes
Iran	Rial	Certificate I	·011189	*Dec. 31
		Certificate II	·011125	*Dec. 31
Iraq	Dinar		2·7325	
Ireland	Pound		2·7325	
Israel	Pound	Basic	2·7177	
		Special	1·3589	
		Investment	·9706	
Italy	Lira		·00156	
Japan	Yen		·00270	
Lebanon	Pound	Free	·2717	*
Mexico	Peso		·1122	
Netherlands	Guilder		·2554	
Netherlands Antilles	Guilder		·5147	
New Zealand	Pound		2·7325	
Nicaragua	Cordoba	Effective buying	·1470	(8)
		Official Selling	·1377	
		With Surcharge I	·1206	
		With Surcharge II	·0966	
Norway	Krone		·1359	
Pakistan	Rupee		·2934	
Panama	Balboa		·9706	
Paraguay	Guarani	Basic	·06471	(1)
		With Surcharge I	·04622	(9)
		With Surcharge II	·03235	
Peru	Sol	Certificate	·0622	
Philippines	Peso		·4853	tax 17% (2)
Portugal	Escudo		·03387	
El Salvador	Colon		·3882	
Singapore & Malaya	Straits dollar		·3188	
South Africa (Union of)	Pound		2·7325	
Spain & Dependencies	Peseta	Basic buying	·04432	
		Basic selling	·08651	(1)
		†Basic commercial selling	·05909	
		Free	·02448	
Sweden	Krona		·1876	
Switzerland	Franc		·2263	
Syria	Pound	Free	·2613	*Dec. 15
Thailand	Baht	Official	·07765	(1)
		Free	·05729	*Nov. 28
Turkey	Lira		·3466	
United Kingdom	Pound		2·7325	
United States	Dollar		·9706	
Uruguay	Peso	Official	·6390	
		Basic buying	·5453	
		Special buying	·4130	(1)
		Basic selling	·5108	
		Special selling	·3962	
Venezuela	Bolivar		·2897	(10)
Yugoslavia	Dinar		·00323	

* Latest available quotation date.

† Since the "Basic selling" rate is for State purchases only, we are now also quoting the "Basic commercial selling" rate.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective rate for all Indonesian exports to dollar area is basic rate plus 70 per cent of dollar certificate rate. Cost of imports is increased by full amount of dollar certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to all Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11.

foreign **trade**

FEBRUARY 7, 1953

CANADIAN LUMBER

• markets • prospects • competition

foreign trade

VOL. 13 OTTAWA, FEBRUARY 7, 1953 NO. 319

'ER . . . . Canadian
r from a West Coast
begins its long journey
oreign buyer. That jour-
nay end in any one of
untries, from Australia to
zuela. But nearly 49 per
of our timber finds a
t here at home.
hoto courtesy of
acMillan & Bloedel Ltd.

Published weekly by the Department of Trade and Commerce, under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

Lumber Goes to Market

Lumbering, like the fur trade in pioneer days and wheat-growing when the prairie yielded to the settler, has long been one of Canada's economic mainstays. The forests were here for the felling; rivers floated the timber out; the coming of canals and railways speeded it on its journey to port or sawmill.

Canadian lumbermen owe to the great Napoleon their first big opportunity in the export market. In 1808, his blockade cut off Britain's Baltic supplies and she turned to Canada for her shipbuilding timbers. In the century and a half since, Canadian lumber has flowed steadily to the United Kingdom market, though in widely varying amounts.

The late 1850's saw the opening up of the great West Coast forests, hard on the heels of the B.C. gold rush. And, as the "square timber" trade with Britain declined, the United States began to buy more and more of our lumber. By the end of the 19th century the American market equalled the British in value.

Today the United States and the Commonwealth together continue to take 97 per cent of our lumber exports. But, in lesser amounts, Canadian timber moves to 31 other foreign markets—as far apart as Norway and Venezuela, Egypt and Hawaii.

This special issue of "Foreign Trade" analyzes, one by one, Canada's main lumber markets. Compiled from reports sent in by 32 Trade Commissioner offices abroad, checked and supplemented by the Wood and Wood Products Section here at home, we present it as a guide to the men who carry on an historic trade.

—The Editor

The Canadian Lumber Industry

THE average Canadian is well aware that Canada possesses substantial forest resources and is a major producer of forest products. He may not, however, appreciate the magnitude of this industry's contribution to the economy. During the past few years, the annual revenue from exports of Canadian forest products such as newsprint, pulps and lumber has accounted for one-third of our total external trade and one-half of our total United States business. In 1951, exports of forest products were valued at $1·4 billion and lumber alone accounted for about 25 per cent.

The reports contained in this special issue of *Foreign Trade* cover the supply of and demand for *lumber* within the territories under the jurisdiction of our various Trade Commissioners and do not deal with the many other forest products which Canada normally supplies to these countries. The tables on these pages supplement the information contained in the Trade Commissioners' reports and give an overall picture of Canada's export trade in lumber, broken down into the four main consuming groups of countries. Additional figures cover domestic production and consumption and point up the importance of export trade to the Canadian lumber industry.

Production and Distribution of Canadian Lumber

		Average 1936-7-8	1947	1951	1952
Production	M.F.B.M. ...	3,728,701	5,877,901	6,535,238 est.	6,274,000 est.
	Value $000's	72,459	322,048	457,300 est.	439,000 est.
Apparent domestic consumption	M.F.B.M. ...	1,966,165 est.	3,257,816 est.	3,226,138 est.	3,081,000 est.
	Value $000's	40,000 est.	212,000 est.	258,000 est.	246,400 est.
Including imports but not including variance in inventories.					
Exports					
United Kingdom..	M.F.B.M. ...	990,896	1,121,244	896,041	857,183
	Value $000's	20,823	77,791	79,068	82,768
Other Commonwealth	M.F.B.M. ...	221,967	324,176	239,547	135,293
	Value $000's	4,170	30,808	23,749	14,403
United States	M.F.B.M. ...	505,875	1,065,184	2,162,301	2,249,018
	Value $000's	13,277	79,771	196,035	190,676
All other countries	M.F.B.M. ...	134,653	224,423	135,369	95,118
	Value $000's	2,717	20,845	12,902	8,963
Total exports .. .	M.F.B.M. ...	1,853,391	2,735,027	3,433,258	3,336,612
	Value $000's	40,987	209,215	311,754	296,810
Total exports expressed as a percentage of production		49·7	46·5	52·5 est.	53·2 est.

Percentage Distribution of Lumber Exports

	Average 1936-7-8	1947	1951	1952
United Kingdom	53	41	26	26
Other Commonwealth countries	12	12	7	4
United States	27	39	63	67
All other countries	8	8	4	3

The tables show that lumber production in Canada has increased approximately 70 per cent from prewar and domestic consumption has grown by some 60 per cent. This emphasizes the importance of the

domestic market, the largest single outlet for our lumber production. It is obvious that our increased production depends upon the ability of the home and United States markets to absorb it, because Commonwealth markets show no gain over the prewar pattern. The table showing percentage distribution of our lumber exports points this up graphically. The United States took 84 per cent of our lumber exports in 1950, when Commonwealth countries were virtually out as customers. This unprecedented movement of lumber to the United States market in 1950 stemmed primarily from the impact of the Korean War and, as the table shows, did not represent the normal annual U.S. requirements for Canadian lumber. Commonwealth countries blame the dollar shortage for their lumber. Commonwealth countries attribute their inability to purchase greater quantities of Canadian lumber to the dollar shortage.

Total Exports of Canadian Lumber, by Species, to All Markets

In thousands of FBM, and thousands of dollars

		Average 1936-7-8	1947	1951	1952
Birch	FBM	91,561	117,525	72,738	58,787
	$	2,863	10,814	11,802	7,699
Maple	FBM	70,363	25,981	35,409	31,228
	$	543	2,919	5,149	4,536
Hardwood NOP	FBM	6,609	58,890	40,916	26,931
	$	356	3,894	3,658	2,462
Cedar	FBM	54,732	155,502	177,797	193,954
	$	2,232	16,327	26,387	22,547
Douglas fir	FBM	874,399	883,591	1,284,492	1,159,516
	$	16,338	66,111	110,758	100,521
Hemlock	FBM	190,472	235,818	563,418	515,518
	$	2,592	18,976	46,072	44,036
Pine	FBM	115,018	198,844	178,478	173,489
	$	3,841	16,905	18,807	17,877
Spruce	FBM	503,599	1,040,408	1,066,055	1,155,075
	$	11,779	71,925	88,097	93,189
Softwood NOP	FBM	1,850	18,418	13,935	22,114
	$	43	1,339	1,024	1,941

The prospects for the overall export sales of Canadian lumber during 1953 appear good. However, information available at the time of writing indicates that exports to the United Kingdom will probably be reduced substantially during 1953. Circumstances contributing to this reduction include the extremely stiff competition from Scandinavia, the Baltic countries and Russia, and the substantial release of Canadian lumber from the U.K.'s strategic stockpile. Other Commonwealth countries should take increased quantities of Canadian lumber during 1953 because their 1952 purchases were down substantially from previous years. The volume of Canadian lumber marketed in the United States still continues at record levels and may possibly increase in 1953 if the forecast U.S. construction program is fully carried out. Markets in countries other than those mentioned shrank considerably during 1952 and it is our belief that additional quantities will be sold to them in 1953.

In conclusion, there is every indication that the reduction in United Kingdom exports will be largely offset by increased domestic and United States sales and, to a lesser extent, by increased exports to other markets. The preliminary estimates indicate that the 1953 production of lumber in Canada will approximate that of 1952.

—Wood and Wood Products Section
Commodities Branch

The U.S.: the Major Market

The U.S. ranked as Canada's number one lumber market in 1952; sales in 1953 should hold up well, if forecasts of construction activity, both public and private, prove correct.

NEW YORK—Wholesale lumber dealers and the Wholesale Lumber Association seem to be optimistic about sales of rough and dressed lumber during 1953. The volume of sales is expected to reach at least the 1952 level. This conclusion is based on the following analysis of construction activity.

The prospects for new construction in the U.S. during 1953 augur well for lumber sales. In fact, in dollar value, new construction during 1953 will exceed the record high of '52.

During the first eleven months of 1952, \$29·8 billion was spent in the U.S. for new construction. This bears out earlier predictions that the 1952 total would reach \$32·3 billion, or about 5 per cent over 1951. Government economists forecast that the dollar value of new construction in 1953 will probably total \$33·5 billion, because of increased activity in both private and public construction.

Residential Building

It is estimated that private building in 1952 reached \$21·7 billion and that in 1953 it will increase by 2 per cent to a total of \$22·2 billion. More than one million private homes were built in the year recently ended. This number will be exceeded in 1953 because the year saw a larger number of units already under way, thanks to the abnormally large number of dwellings begun in the fall of 1952. About \$10·2 billion will be spent in 1953 on private housing.

On the other hand, it is expected that public residential building will drop off this year by some 11 per cent because of recent legislation tightening the limits on federal subsidized housing. It is estimated that public residential construction in 1953 will total \$573 million, compared with \$643 million in 1952.

Industrial and Commercial Building

For the tenth successive year, public utilities are expected to increase construction activity. Announced expansion goals suggest 1953 utilities construction valued at \$4·3 billion, or 11 per cent over 1952, with the gain largely in the gas, electricity and power groups. Commercial building will probably increase 25 per cent over 1952, reflecting easing of material

and credit controls. But private industrial building is expected to drop 25 per cent because defence plant expansion programs will be nearing completion.

Public school building will continue its postwar expansion into 1953, with an increase of 10 per cent over 1952, bringing expenditures to about $1·8 billion. Outlays for military and naval facilities will increase by 20 per cent—to $1·6 billion.

Highway construction will probably reach a record of $3 billion next year—10 per cent over 1952—thus reflecting the expanding program of federal aid to highway building and state toll-road construction.

The Sales Picture

During 1952, shipments to the United States of rough and dressed lumber from Eastern Canada were somewhat lower than in 1951. This falling off in volume is attributed to reduced production, good prices in other markets and the unfavourable rate of exchange. Overall shipments of Canadian lumber, particularly Western Canadian types, compensated for this loss in volume, especially during the last few months.

In the early part of 1952, prices of Western Canadian rough and dressed lumber moved down. However, low-priced charter freight rates came to the rescue and U.S. lumber importers can now buy Canadian West Coast lumber competitively with domestic production.

Canadian producers are not subject to the Conference Freight Rate which was established by the Interstate Commerce Commission and the Maritime Commission. At the time of writing, the Conference rate on shipments from any West Coast point to Eastern seaboard is $30.00 per FBM. Canadian producers have been able to charter at rates somewhat below this figure.

Prices Reviewed

Prices of dressed 2 x 2 inch Douglas fir, No. 1 common with 25 per cent No. 2 common were quoted at $69.00 per FBM at the mill by B.C. producers at the beginning of 1952. By midsummer, the price asked was $74.00 and at the close of the year, $66.00.

Eastern Canadian 7-inch spruce boards were quoted at $108.00 per MFBM delivered Boston at the beginning of 1952 and this price held, with minor fluctuations. The year-end price from eastern Canadian mills was $106.00. At the same time, U.S. southern pine 7-inch boards were being offered at approximately $95.00 MFBM delivered Boston.

Eastern Canadian spruce furring remained constant at approximately $92.50 delivered Boston throughout most of 1952, with the year-end somewhat lower—about $91.00.

—A. E. Bryan
Deputy Consul General of Canada and Trade Commissioner

New England

BOSTON—Present indications are that, following the seasonal relaxation in building activity during the winter months, the New England demand for all types of softwood lumber in 1953 will equal or surpass that of 1952. The firm and rising market for birch should continue. It is difficult to make predictions about maple, though the market for the better grades is improving. Overall prospects are bright, though some members of the trade feel that there may be a slackening-off toward the end of the year. Restrictions on scarce building materials were relaxed on January 1st and this should bolster construction activity in the first quarter. In general, construction activity in New England during the year is expected to follow fairly closely the pattern forecast for the rest of the country.

Price Trends in 1952

The first quarter of 1952 was seasonally dull, with dealers buying only for immediate turnover in expectation of higher prices. Unfavourable weather helped to reduce production and shipments and this, coupled with the expectation of defence business, strengthened the market. Prices thus remained firm at or just below the legal ceilings. The appreciation of the Canadian dollar raised the prices paid for Canadian lumber in some instances.

During the second quarter, fewer shipments from the West Coast because of work stoppages gave strength to softwood lumber prices. The residential building program remained active. However, producers of northeastern hardwood lumber had to reduce prices in the face of unsatisfactory demand. Fir and hemlock prices began to ease in late June and early July, at the usual mid-year vacation recession. The settlement of the strike in August eased the market again and, as shipments were resumed, it remained much weaker than it had been earlier in the year. Lowest price levels were reached about mid-October.

Heavy Fall Buying

During October and November, New England ports were choked with lumber as shipments held up by the strike caught up with current orders. Much of this lumber was already sold and the rest went into wholesale storage. More lumber was delivered by cargo to Atlantic coast ports during the last four months of 1952 than for any four months in over a year and a half.

Demand was keen for good assortments of dry eastern spruce and white pine and little of either was obtainable in the local markets. The demand for birch was good with prices strengthening after midsummer as the furniture manufacturers began to show more interest. Canadian maple, however, was weak. The rail market attracted little attention within 35 miles of tidewater because of the volume of water lumber available at attractive prices.

Prices for West Coast fir and hemlock, which have been low since the summer and reached their lowest point about mid-October, have been firming and should improve as the year progresses. Large stocks laid in last fall might have a depressing effect early this year. White pine and eastern and western spruce have been in keen demand and there is little likelihood of any price reductions from current highs. Controls on some scarce building materials were relaxed on January 1 and all price controls are due to expire on April 30th. If they are not renewed by the new Administration, there may be price increases on most lumber products, provided that the 1952 high level of building continues. Hardwoods, principally birch and maple, may show a burst of strength at the same time.

—D. H. CHENEY

Vice-Consul of Canada and Assistant Trade Commissioner

Michigan and Ohio

DETROIT—Michigan and Ohio, both highly industrialized states with a combined population of over 14·5 million, are large consumers of lumber and related products. Total annual lumber business in Michigan is estimated at about $150 million for 1952, of which approximately 50 per cent is done in Detroit and environs. In Ohio the estimate of total business is about $190 million, of which just over 20 per cent is done in the vicinity of Cleveland. Roughly 70 per cent of the total business is in residential construction, the remainder is in industrial construction (including packing cases), public works, institutions and engineering projects of various kinds.

Dealers in Michigan and Ohio anticipate a small increase in the overall volume of lumber business in 1953 compared with 1952. Those closest to the trade are not prepared to hazard a guess about the amount of this increase because of the many unpredictable factors.

Residential Construction

Residential construction is expected to be slightly above the 1952 level. A few comments will throw a little more light on this. In the Detroit metropolitan area, for example, the peak year for residential construction was 1950, when 43,800 units were completed. This fell to 31 thousand in 1951 and an estimated 27 thousand in 1952. In 1953, it is expected to be between 27 thousand and 30 thousand.

In the vicinity of all large cities (e.g. Detroit, Cleveland, Toledo, Dayton, etc.) new and suburban communities, with large shopping centres each serving the surrounding residential area, are steadily developing. There is nothing new in this, but their number and rate of growth have both increased noticeably in the past two years. Cleveland, for example, reports a number of such projects planned for 1953 and other centres expect corresponding developments.

In commercial and industrial construction (including engineering, such as bridges, and other government-financed projects) the Association of General Contractors advises that 1953 should at least equal 1952 in volume. A number of new plants and plant extensions are under construction or planned throughout Michigan and Ohio. Some of these are related to the defence program, either directly or indirectly, but it is believed that most are of such long-term, permanent value that there is little likelihood of any change in plans.

For example, the motor car manufacturers are all engaged in plant extensions of one kind or another and some of these have a direct relationship to defence (e.g., jet aircraft, tanks, etc.). Near Portsmouth in Southern Ohio a huge new atomic energy project is under way which, in terms of industrial, engineering and residential construction, makes this section one of the fastest growing parts of the whole country.

It is interesting to note that in the Southern Ohio area, once the largest single market for southern pine, there has been a significant switch to West Coast fir and other varieties. Even at somewhat higher prices for the West Coast woods, the market has expanded considerably. There has also been a remarkable change in merchandising methods, with increased inventories and all the characteristics of business on a larger and more modern scale.

In summary, therefore, the demand for lumber for industrial and related purposes is expected to be well maintained, especially for such things as concrete forms, trim and panelling.

Prices

In general, the demand during 1952 was below that of 1951, causing a drop of from 5 to 10 per cent in prices. Plywood prices showed a greater decline. However, demand became stronger in October and remained stronger to the year's end. This same trend is likely to continue into spring. At the same time, those in the construction business believe that there is an adequate supply of lumber of all kinds available from the West and South and no rise in price is expected.

Many Canadian firms have long-established connections in this area but few new ones have entered this market recently. The trade in this area have expressed interest in receiving Canadian quotations on construction lumber.

—B. C. Butler
Consul of Canada and Trade Commissioner

HOW MARKETS GREW

"The timber and lumber trade has reflected vast dynamic changes in the movement of population, and the spread of industrialism. In Canada it responded to the demands of British urbanization in the first half of the nineteenth century, of the United States in the second half, and the demands of the domestic market and the countries of the Pacific in the twentieth century . . . Industrialism has been poured into moulds of wood . . . Because of lumber's bulk and cheapness, its markets were profoundly affected by major improvements in navigation, such as followed the opening of the Panama Canal"—*A. R. Lower.*

The Southern States

NEW ORLEANS—An examination of construction records in the Southern States since 1946 indicates that this area has had an increasing share of new building in the United States. New construction in the Southern States in 1946 totalled \$8·4 billion, or roughly 28·9 per cent of the U.S. total. In 1951, the value of new construction in the Southern States rose to \$9·6 billion, or 30·9 per cent of the U.S. total. Preliminary figures for 1952 suggest that their share has continued to increase.

Buy from Northwest

This reflects the industrial boom which has been in progress down South since the war. It has resulted not only in new industrial construction but also in more building of homes to meet the needs of the growing industrial population. To date, there is no indication of any slackening in this industrial expansion.

The greater demand for woods should interest Canadian shippers when they realize that the once extensive Southern forests no longer can supply virgin woods. The second and third growths now available fail to meet these new and pressing construction needs. Consequently softwoods from the Northwest are finding wider and wider acceptance. In a retail lumber yard in New Orleans, for example, the following assortment of Douglas fir and hemlock from a well-known United States Northwest shipper were to be found:

2 x 4 and 2 x 6 No. 3 dimension green or kiln dried S4S

2 x 8, 2 x 10, 2 x 12 select structural woods kiln dried

1 x 6, 1 x 8, 1 x 10 and 1 x 12 S4S kiln dried

This dealer also had a supply of western red cedar S4S kiln dried.

Woods in Demand

Canadian shippers will be interested to know that there is evidence of a steady demand for Douglas fir and hemlock, No. 3 dimension stock, and western white spruce and certain forms of western red cedar. Canadian woods are moving in carlots into practically all the Southern States, The two major markets, however, are Texas and Florida, the two states in which industrial development and new building have been particularly evident.

Southern wholesale lumber distributors will be glad to receive quotations from Canadian lumber mills and, in certain instances, from Canadian wholesale exporters. The Consul and Trade Commissioner's office at 201 International Trade Mart, New Orleans, is in close touch with a number of reputable wholesale distributors and will be glad to pass on the names to Canadian firms.

—GERALD A. NEWMAN

Consul of Canada and Trade Commissioner

68427—3

The United Kingdom Market

LONDON—On November 17, 1952, the British Government relaxed all import controls on softwood lumber. This permitted 600 U.K. timber importers to buy their softwood supplies in any producing country, irrespective of quantity, currency or any other restriction.

A general warning was given, however, that consumption licences would not be increased. If any importer found himself with unsold stocks on hand at the end of 1953, he would not receive relief by way of increased consumption licences to help him liquidate his stocks. By saying this, the Government hoped to curtail erratic buying and to prevent the spending of scarce foreign currencies. At the same time, the relaxation of controls would give importers every opportunity to use their initiative, their buying skill and every other device that they employed successfully in the past, to procure their 1953 supplies to the best advantage.

Quota Regulations Criticized

In 1952 the regulation in force permitted each individual importer to buy, in any market, a quantity based on his prewar imports. These individual quotas were supposed to total only slightly more than the actual requirements of the country for twelve months. This arrangement was not completely fair. Many firms needed a larger quota than they had under the scheme and others had too large a quota for their postwar business. The inevitable result was that those with too much sold their quota to those with too little, for prices as high as £15 per standard for quota only or the right to buy wood.

Early in September 1952, the Timber Trades Federation recommended to the Government that individual quotas be discontinued. In fact, they recommended that all restrictions on buying be removed. The Government, however, felt it could not depend on the trade to hold their purchases within reasonable limits and that importers might spend more foreign currency than the country could afford. A compromise was agreed upon. Individual quotas were discontinued but a quota covering the total import imposed. The effect of this was that every importer was afraid that, if he did not buy immediately, the total imports for 1953 would be arranged for before he had an opportunity to buy what he needed.

Consequently, a great rush of buying started when the Government agreed to license up to 500 thousand standards for import into the United Kingdom in 1953 and permitted the importers to make necessary arrangements for these 1953 deliveries any time before the end of 1952.

By October the whole 500 thousand standards had been purchased and applications made for licences for an additional 175 thousand. It was obvious that, unless something were done immediately, the total requirements of 1,300,000 standards would be purchased before the end of November, or certainly before the middle of December. Such a rush of buying was having the effect of firming prices and, in some cases, of forcing them up. To stop this buying spree, it was necessary to remove from the minds of the individual importer the fear that he would not be able to import all the wood that he needed. On November 17th, therefore, all restrictions on softwood imports were removed.

These instructions have had the desired effect. Buying has slowed up and the importers feel that they can take a breathing space to assess the market a little more accurately. They also feel that they can afford to wait until the spring before renewing their buying on a large scale or filling their final requirements. It is generally expected that year-end prices will hold until the late spring. After that, or perhaps during the shipping season from Baltic ports, sales may hang fire slightly. This should have the effect of reducing prices further and importers are holding off, waiting for that drop.

This anticipated price reduction towards the middle or end of 1953 may be wishful thinking on the importers' part. In October 1952, at the Timber Committee Meeting of the Economic Commission for Europe held in Geneva from October 14-20, it was revealed that Europe's import requirements exceeded quantities available for export by about 200-400 thousand standards. If, as some expect, exporting countries under-estimated their export availabilities, this deficit could easily be wiped out.

Purchases for 1953

By December 31, 1952, contracts for the import into the United Kingdom in 1953 of 794 thousand standards has been arranged, out of total requirements of 1,100,000 standards and a possible import total of from 1,300,000-1,500,000 standards. An additional 500-800 thousand standards remain to be bought by U.K. importers for 1953 deliveries.

The following purchases have been made by U.K. importers for 1953 delivery: North America, 127,000 standards; Scandinavia, 500,000 standards; other European countries, 142,000 standards; all other countries, 25,000 standards.

Canada's share of the first 500 thousand standards bought for 1953 was only 47 thousand standards. Prices of Scandinavian woods had fallen as much as £15 a standard below the 1952 peak. Canadian prices, on the other hand, had not declined as much and importers were not willing to pay Canadian producers any more than they would have to pay for a similar article from Scandinavia.

Grading Proves Important

Eastern Canadian spruce, particularly M.L.B. graded, is considered highly desirable for many purposes in this country. On the other hand, certain woods from other parts of the world will take its place in a pinch. Whitewood or spruce from Finland, Sweden, Poland, Yugoslavia or Austria can be bought today at prices below the usual offers for Eastern Canadian spruce. Consequently, importers believe that whitewood from Europe at a few pounds per standard less is a better buy. There is,

68427—3½

however, plenty of scope yet for Eastern shippers to get some U.K. business and practically all East Coast importers would welcome a fair stock of Eastern spruce in their yards by the summer of 1953.

Grade and Quantity

U.K. importers consider Maritime Lumber Bureau grading a valuable part of a spruce contract. Claims for grade or quantity have been practically eliminated by the use of M.L.B. certificates. Though the Timber Trades Federation has never admitted that any certificate issued by any organization is to be considered as final; it gives assurance to importers that the wood they receive will be up to grade. Situations have arisen where stock has been graded and passed by M.L.B. inspectors but has deteriorated in the ship and showed certain defects when discharged, such as bad blueing or the first stages of decay.

Poor condition on arrival is almost always caused by shipping wood green and before it is suitably seasoned. If the defects, such as stain or rot, have developed on passage and are obvious on arrival, it is definitely the responsibility of the exporter and not of the importer. If a claim for such deterioration should go to arbitration, any arbitrator in the United Kingdom would award a claim against the shipper.

Market for B.C. Woods

Thirteen years of selling very random specifications to one buyer, the Timber Control, has resulted in British Columbia shippers and manufacturers neglecting some of the practices they learned between 1930-39 in serving the U.K. market. These practices must be reinstated if the B.C. industry is to be successful in selling to the individual British importer.

Up to the end of 1939, it was quite clear in the mind of every B.C. sawmiller that the United Kingdom required accurately sawn wood. Much of the material that is imported into the United Kingdom is re-manufactured and discrepancies in sawing create difficulties for the re-manufacturer that he does not usually experience with wood from other sources. It must be remembered that all structural timbers throughout the country are used in the rough state and are not surfaced to size as is the custom in Canada and the United States. Accuracy, therefore, is essential to the contractor.

By the end of 1939 Western hemlock shipped dry had an excellent reputation in the United Kingdom. During the war and since, under Timber Control contracts, hemlock has been imported green. Consequently, for thirteen years hemlock has been used by contractors, surveyors, etc., throughout the United Kingdom, with the inevitable result that much of its once general acceptance as an excellent construction material has been lost. It will take some time to reinstate hemlock in its proper place in the U.K. market by the shipment of dry, clean stock.

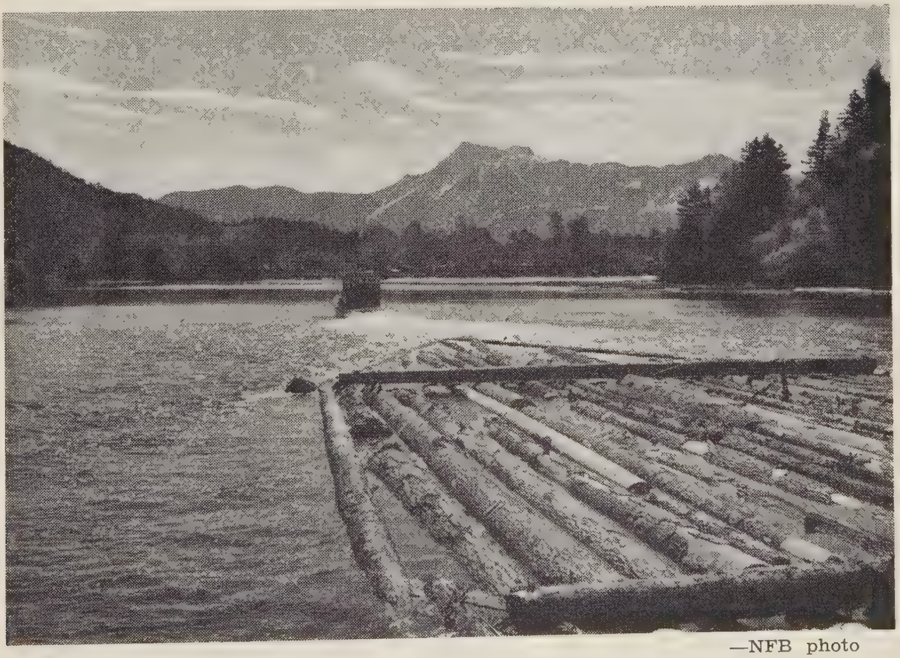
During the years 1930-1939 great strides were made in developing the U.K. market for British Columbia woods. One of the great advantages of West Coast shippers in this market during those years was cheap wood and cheap freights. Goods could be delivered to the United Kingdom at several pounds per standard below anything available from other markets.

Today those advantages are lost and the hope is that it will never again be necessary to sell cheaper than anyone else to get the business. It must be remembered, however, that contractors, carpenters, architects and borough surveyors in the United Kingdom favour Scandinavian woods. The ease of working the Scandinavian woods, their condition and manufacture makes this preference quite understandable.

West Coast producers are, of course, favoured when it comes to supplying sizes, lengths and grades that cannot be obtained anywhere else. During the last twenty years the United Kingdom users have become accustomed to the large sizes, clears, etc., that can be obtained and will continue to use them as long as possible. European sources can supply specifications or ordinary building sizes and, therefore, if any are to be supplied from the West Coast, they must be made attractive to the importer in any one or all of the following ways:

- Price.
- Length specifications. The average length of building sizes imported from the Pacific Coast in recent years has been considerably lower than the same specification prewar. A good length specification, including such lengths as 20's, 21's, and 22's for roof rafters, for instance, would make a specification much more attractive to a British importer.
- Condition and manufacture, particularly in hemlock. Shipping dry is essential for the good name of the wood in the future.

—R. Douglas Roe
Commercial Secretary for Canada (Timber)



—NFB photo

Towed by a tugboat down the Harrison River, British Columbia, a boom of West Coast logs starts its long journey to mill and market.

Markets in the Commonwealth

AUSTRALIA

SYDNEY—Australia has traditionally been one of the principal markets for Canadian lumber, exceeded in importance only by the United Kingdom, the United States, and possibly South Africa. The main items in this trade are Douglas fir timbers; clears for the joinery trade; cedar, chiefly for the venetian blind industry, and fir timbers for the mining industry.

In former years large quantities of hemlock were exported to Australia for the box and case trade. Over the past eighteen months this industry has turned to *pinus insignis* from New Zealand and *pinus radiata* from Australia, because of the lower price and the fact that supplies can be obtained for soft currency.

Except for an occasional small shipment, Eastern Canada has never contributed largely to the timber sold in Australia. It is unlikely that lumber from Eastern Canada will find an increased market in this country because of the obvious advantages enjoyed by the Pacific Coast mills.

Because of currency difficulties Australia has restricted her imports of Canadian lumber since the end of World War II and has, to some extent, been forced to find other sources of supply such as the Baltic, Southern Europe and South America. Despite these restrictions, however, fairly substantial quantities of Canadian rough sawn lumber still enter Australia.

Until the middle of 1951, supplies of softwood timber were tight and merchants could dispose of any available quantity without difficulty. During the latter half of 1951, however, this position was reversed partly because the import licensing procedure was relaxed, thus affecting dollar imports, and also because of a large influx of Baltic timber when Australian merchants over-bought. This trend was further aggravated by the almost complete halt in building operations as the effects of the government credit restriction policy became apparent.

In March 1952 import licences for Canadian timber were tightened again and imports into Australia decreased. The buyer's market continues, however. There are signs of a recovery in the building industry thanks to a relaxation of building and price controls during the last few months, but it appears that the heavy buying of the early part of 1951 will not recur for some time.

The following figures show imports of timber from Canada during the fiscal years ended June 30, 1951 and June 30, 1952.

1950-51	1951-52
85,829,521 super feet	86,360,876 super feet

Imports for the fiscal year 1952-1953 will be considerably below last year—about two-thirds of the volume and about half the value because of a drop in price. Prospects for the year 1953-1954 are difficult to forecast but there should be a gradual recovery. Present indications are that demand will be stronger than during this fiscal year but the ability to purchase Canadian lumber will depend on the exchange situation.

Canadian lumber has a high reputation on the Australian market and, if given the opportunity to compete on the basis of price, quality and deliveries, would certainly claim a larger share of it. With an improvement in the sterling area's dollar position, import restrictions may not play such an important role in the marketing of Canadian lumber as in the past.

—C. M. Forsyth-Smith
Assistant Commercial Secretary for Canada

NEW ZEALAND

WELLINGTON—In 1952 New Zealand imported nearly 31 million board feet of lumber. Of this, Canada supplied approximately 13 million FBM, the United States 3 million, and Australia 14 million. North America sends softwoods in large structural sizes and joinery timber and Australia supplies hardwoods in exchange for softwoods.

Although New Zealand has developed her *pinus insignis* softwoods forests to the point where they can take care of domestic requirements for this class of timber and have a surplus for export, the higher quality indigenous forests are in danger of becoming exhausted in twenty years at the present rate of cutting.

New Zealand will continue to depend on her traditional North American markets for large sizes of high-quality timber. Here Canada is in a favoured position because of the bond of goodwill between New Zealand and Canadian lumber interests.

Import restrictions are necessary to make the best use of the limited funds available. However, money will probably be forthcoming to cover all essential imports for urgent commercial construction and major government works, including the housing program.

Japan supplies a substantial quantity of oak and very small quantities of timber are received from South America, Africa, Europe, Scandinavia and the Baltic countries. None of these is likely to supplant Canada in the particular class of timber she sends to New Zealand.

New Zealand prefers Canadian softwoods and will continue to buy as much as possible. Orders will, however, be limited to minimum requirements while dollars remain scarce. Importers there will be forced to bargain hard to get as large a quantity of lumber as possible for the money they have.

—Roy W. Blake
Commercial Secretary (Agriculture) for Canada

SOUTH AFRICA

JOHANNESBURG—Timber merchants in South Africa and the Rhodesias expect that local import control authorities will allow them to buy as much Canadian and American timber this year as in 1952. Despite exchange difficulties and high ocean freight rates, over 150 million FBM of North American softwoods were imported into Southern Africa in 1952. Douglas fir accounted for 130 million; hemlock, eastern spruce, red cedar and pine made up the remainder.

The major competitor of Douglas fir in this market is Baltic lumber which is imported from Finland, Sweden, Poland, Russia and Central European countries. In 1952 South Africa, the Rhodesias and Southwest Africa imported 60 million FBM of Baltic lumber from Sweden and Finland and another 10 million FBM from other Baltic countries, including Russia. Quotations for 1953 deliveries, however, are higher than last year and it is doubtful whether the same volume can be maintained in the months ahead.

Sales Prospects

If the export price of Canadian fir is competitive with that of United States mills during 1953, our sales in this area should be close to 100 million FBM. Buyers here prefer British Columbia fir, claiming that the texture is finer than U.S. types. In addition, Canadian mills are willing to quote in multiples of one foot which the trade here demands, whereas United States mills will only supply multiples of two feet.

—Courtesy Central Mining and Investment Corp. Ltd.

These African workers are piling up explosive boxes made from Canadian Douglas fir in a woodworking plant near Johannesburg. Black objects on the right are caskets, also made from Canadian West Coast lumber.

Although Douglas fir is the most popular structural timber here, other Canadian softwoods enjoy a share of the market. Last year imports of western hemlock and eastern spruce increased because fir was hard to get. However, there is little hope of this situation persisting through 1953 and spruce sales are bound to suffer most.

Western Canadian red cedar shingles have long been popular in the coastal districts for roofing, but the demand has fallen off because of the high prices of the better grades up until recently. In addition, the South African authorities are issuing very few import permits for shingles because they feel domestic tiles and slate are suitable for roofing. Canadian hardwood imports have also been hit by competition from local hardwoods. The large quantities of Canadian birch, beech and maple flooring that used to be sold here in past years have given way to lower-priced parquet made from African hardwoods.

For Canadian mills shipping to this market the most significant long-range development is the state plantation program being carried out in the Union. According to recent reports the South African Department of Forestry hopes to expand state plantations to one million acres by planting 30 to 35 thousand acres of coniferous trees each year during the next 12 years. Although this plan will not affect Canadian timber sales during the current year, it is bound to be felt in the years to come.

—Howard E. Campbell
Assistant Canadian Government Trade Commissioner

JAMAICA

KINGSTON—Until the restrictions against hard currency purchases were imposed, Canada was the largest single supplier of lumber to Jamaica. This was principally in the form of Douglas fir and white pine. Red cedar shingles also came in, in substantial quantities, from the West Coast.

Average annual consumption of rough and dressed lumber in Jamaica is approximately 14 million feet and for shingles 15 thousand squares.

A Jamaican shipping company transported the bulk of the imports from British Columbia through the Panama Canal, but with the currency restrictions this company ceased operations for want of cargo.

Soft currency sources of supply were developed, chiefly in British Honduras and the Bahamas for pitch pine. The surplus of requirements was made up from the hard currency countries of Spanish Honduras, Nicaragua and the United States. The latest Jamaican import statistics are for 1951. By that time, only small purchases of lumber were being made in Canada, but substantial quantities of red cedar shingles continued to arrive, particularly after the hurricane in August of that year.

Apart from the lack of shipping facilities and increasing lumber prices, the trade has a strong prejudice against woods which are susceptible to termites. For some odd reason, however, red cedar, apart from shingles, has never caught on in this market.

Factors which favour the nearby Central American sources of supply are a good product at prices below those for comparable grades of Douglas fir, and frequent trips by small ships which are able to come alongside the dealer's jetty, avoiding the wharf and delivery charges levied when large ships dock at the public wharf.

Recently Saguenay Terminals inaugurated a service from Montreal to Vancouver, calling at Jamaica, so that freight space again is available.

With competitive prices and an educational program, especially in the case of red cedar, some business with Canada should be possible in 1953. It will, however, continue to be limited by the dollar restrictions and must take into account the ease with which pitch pine can be imported.

—M. B. Palmer
Canadian Government Trade Commissioner

EASTERN CARIBBEAN

PORT-OF-SPAIN—Two salient features are found in Canada's trade with the Eastern Caribbean. One is the British West Indies Trade Liberalization Plan. Through the Plan, Canadian lumber exporters who had a pattern of trade with the British West Indies during the base years 1946, 1947 and 1948 may apply to the Department of Trade and Commerce for an allocation. This enables their agents in the British West Indies to obtain import permits. Some Canadian lumber does reach the British West Indies outside the plan, under the various colonies' dollar program for purchase of essential commodities. A good agent in the territory can keep the Canadian lumber exporter advised of these developments.

The second feature is that the Caribbean area is itself a substantial producer of both hardwood and softwood lumber and a considerable trade between the colonies has developed. Relatively important producers are the Bahamas, British Guiana, Nicaragua, British Honduras, Trinidad, Surinam and others.

Canadian hardwood lumber has a very small sale in this territory, but Canadian softwood lumber has maintained a strong position. White pine, Douglas fir, western cedar and spruce are the principal species. Trinidad, Barbados, the Windward and Leeward Islands, and British Guiana all purchase Canadian lumber.

Sales in Trinidad

Trinidad has a lumber association, formed originally to discuss matters of common interest in the marketing of imported lumber. With the development of currency controls, the association has been forced to extend its activities into bulk purchasing for its members of all the Island's imported lumber requirements. By so doing it achieves a practical distribution of the currency allocation among its members without trouble to the currency control authorities.

The Trinidad Lumber Association normally deals in imported lumber, limited to long leaf pitch pine, Douglas fir, western red cedar and white pine. Its members also handle a little West Indian lumber, including greenheart, but very little in proportion to the quantity imported.

The year 1951 was an exceptional one for lumber imports into Trinidad. The Association imported 15 million FBM in advance of requirements and 1952 imports suffered as a result. Imports into Trinidad last year were about six million feet, of which Canada supplied approximately 27 per cent. It is estimated that 1953 requirements will be 10-12 million feet. Price trends show a slight falling-off in long leaf pitch pine and a more pronounced reduction in Douglas fir and western red cedar.

During the first nine months of 1952 Barbados imported nearly four million FBM of all types of lumber. Canada supplied more than 60 per cent of this and the Bahamas about 18 per cent. Lesser amounts came from the Caribbean area, the United States and the United Kingdom. Other colonies in this territory purchased smaller amounts.

The nine-month total of Canadian sales in the Eastern Caribbean was nearly six and a half million FBM. It is probable that this figure represents the minimum requirements of the territory. With an improvement in the colonies' supply of dollars, Canadian sales might well increase.

—Roger R. Parlour
Acting Canadian Government Trade Commissioner

HONG KONG

Hong Kong—Prospects for the sale of Canadian lumber in 1953 in territory under the jurisdiction of this office are confined to anticipated sales of West Coast softwoods in the Hong Kong domestic market. Present import and exchange controls in Indo-China and Taiwan preclude sales there, and sales to the China mainland are excluded by policy.

In Hong Kong itself the level of sales will probably follow that of 1952, when the local market ordered about five million FBM. As in the past, buyers will probably prefer Douglas fir and western hemlock.

The basic factors in the Hong Kong market, not expected to change, are:

- Traditional competition from other softwood sources will be negligible. The China mainland will not be exporting China fir and China pine and the United States will still be loath to grant export licences for lumber from Washington or Oregon.
- Canadian Government policy will continue to restrict exports to those moving into the Colony for assured local consumption.
- The chief competition for Canadian lumber will come from the secondary hardwoods, particularly of Southeast Asia and British North Borneo.

The Hong Kong market will still concentrate its purchases on No. 3 and better Common (N List) or No. 3 Common (R List). It will prefer boards, 1 or 2 inches thick and 12 inches wide, and planks 2 up to 6 inches thick, with widths 4 to 12 inches; lengths always to be 8 feet or more.

68427—4½

Some scantlings and a limited quantity of squares will be sought; occasionally local dockyards will order better quality lumber for decking. The boards will mainly be used in construction work as concrete moulding forms. The planks will be resawn locally and used largely for making packing cases, but also in construction work or as unseen components of teakwood furniture. The squares will go mostly to dockyards or heavy construction projects and some may be resawn locally.

The secondary hardwoods are all imported in the log and sawn in the Colony. These hardwoods will not compete too severely with Canadian lumber in construction work as they warp in use. However they will be used extensively to make packing cases. They are cheaper; current prices c.i.f. Hong Kong per cubic foot are HK$4.00—with allowance for sawing costs, about HK$5.50. Current Douglas fir/western hemlock prices average HK$0.58 per FBM c.i.f. Hong Kong, roughly equivalent to HK$7.00 per cubic foot. Hong Kong statistics reveal imports for the first nine months of 1952 of such secondary hardwoods amounted to about 4·8 million FBM, with re-exports negligible.

Recently Canadian prices have eased slightly—probably largely because of the downward trend in the cost of the U.S. dollar in Hong Kong's open money market (now HK$6.08 to US$1.00)—and the Canadian supply, particularly of boards, has improved. These two factors may lead to increased purchases from Canada. There will probably be no change in prices or availability of the secondary hardwoods.

—T. R. G. FLETCHER
Canadian Government Trade Commissioner

CEYLON

COLOMBO—Although Ceylon is comparatively small, only 25,330 square miles, a large proportion of it is heavily wooded, with mixed but valuable stands of both hard and softwoods. Many of the hardwoods are of high quality but the forests are usually so inaccessible that logging operations prove unusually difficult and expensive. They are often carried out using elephants, although mechanical devices are gradually being introduced.

Despite its timber resources, Ceylon cannot yet meet domestic requirements for wood in various forms. This is illustrated by import returns for 1951 which show a total value for the trade in logs, scantlings, boards, ties and miscellaneous lumber of some $1·8 million. The more important items in the trade were teak logs ($720,000), imported mainly from Thailand and Burma; other logs ($16,350) originating in Nigeria and North Borneo; scantlings ($265,700), mainly from Thailand; ceiling and flooring boards ($265,700), principally from Sweden; railway ties ($408,000), chiefly from Canada; and miscellaneous lumber ($102,200), mainly from Thailand. The predominance of Thailand in Ceylon's lumber imports reflects both the common demand in this country for hardwoods resistant to tropical conditions and the attacks of termites, and the general preference for wood of this type for building, furniture manufacture, ship repair work and similar uses.

But it should be noted that there is a demand for "pine boards", usually tongue and groove and planed on one side at least, for use in tea factories and other industrial establishments. Specifications are usually 1 by 6 inches by 10 to 20 feet in random lengths and with a small number of knots allowed. These boards come largely from Sweden but some business in Canadian Douglas fir boards has developed and shows reasonable signs of increasing. Canada has also played an outstanding part for several years in the import trade in railway ties, cut to local specifications from both Douglas fir and hemlock and supplied creosoted.

Ceylonese producers cannot meet local demand for railway ties and it appears likely that Canada may be asked to supply from 100,000 to 150,000 ties a year to this country for an indefinite period—about one or two ships' cargoes a year. This represents approximately one-half of the annual demand.

The other outstanding opportunity for business in lumber is increasing sales of ceiling and flooring boards but this trade must meet competition from Swedish exporters. Canadian prices have on occasion been competitive at $115-125 per thousand FBM c.i.f. Colombo. But the recent rise in export quotations, based mainly on high ocean freight rates, associated with the higher exchange value of the Canadian dollar, have produced a situation where, at the time of writing, Canadian offers are not always in line with Swedish prices. Any depreciation in the exchange value of the Canadian dollar or other basic reductions in export offers will, however, encourage a resumption of this business.

Canadian trade in this product is encouraged by a British preferential tariff of 25 per cent, as compared with the general rate of 30 per cent. One handicap, however, is the local trade's insistence on "clear" or closely similar grades of lumber. This generally costs more than the ordinary run of Scandinavian stock which is suitable for local use. There is the further point of dollar expenditures by Ceylon. Competitive quotations in soft currencies present fewer difficulties in trade with other countries interested in this business.

—PAUL SYKES
Canadian Government Trade Commissioner

CANADA SELLS LUMBER TO . . .

United Kingdom
Ireland
Gibraltar
Malta
Belgium
Netherlands
France
Switzerland
Italy
Norway
Sweden
West Germany
Australia
New Zealand
Fiji Islands
British Oceania
French Oceania
U.S. Oceania

Israel
Lebanon
Syria
Iraq
Egypt
Anglo-Egyptian Sudan
Northern Rhodesia
Southern Rhodesia
Union of South Africa
Portuguese Africa
India
Ceylon
Hong Kong
Malaya
Azores
Greenland
Alaska
St. Pierre

United States
Bermuda
Costa Rica
Panama
Cuba
Puerto Rico
Jamaica
Barbados
Bahamas
Leeward & Windward Is.
Virgin Islands
Trinidad
British Guiana
Netherlands Antilles
Bolivia
Peru
Venezuela
Hawaii

INDIA

NEW DELHI—Apart from small quantities of hardwood and spoolwood, there appears to be little scope for Canadian lumber sales to India. India grows a variety of hard and softwoods of many different types on the lower slopes of the Himalayas and in the large tracts of jungle throughout the country. European sawn softwoods are imported into the country through United Kingdom export firms. The softwoods brought in are described in the statistics as "deal and pinewood" and the main distributing centres for the trade are Bombay, Calcutta and Madras. India also imports a considerable quantity of teakwood from Burma, mainly for the furniture trade.

Imports of deal and pinewood in the last few years were:

1948-49	2,348 tons	(50 cu.	ft.	per	ton)
1949-50	1,517 "	"	"		"
1950-51	1,172 "	"	"		"
1951-52	1,899 "	"	"		"

These figures do not include Douglas fir, about 2,000 tons of which are imported either from the United States or Canada each year. The import of lumber is at present under open general licence, which means that it may be imported from any source, including Canada, except for certain varieties such as sandalwood, sagarwood and taparwood, which India produces in great quantities.

Since the plywood industry was established, just about the time of partition in 1947, several good grades have been developed and India is now practically self-sufficient in plywood. The Indian tea-chests, which use the major part of the production, now compare favourably with the imported product and complaints about the quality are lessening. Nevertheless, India could consume about 40,000 tons of plywood logs a year from abroad if the price were competitive.

—RICHARD GREW
Commercial Counsellor for Canada

PAKISTAN

KARACHI—Pakistan's lumber consumption is small when compared with that in most other countries. Because forests comprise only 4·2 per cent of the whole area, indigenous lumber has never been available in large quantities. Building and other normal construction work has therefore relied on an absolute minimum of wood. In addition, the climate and insects often make it impractical to use lumber.

In West Pakistan softwood—sometimes locally known as dealwood—is concentrated mostly in the Jammu district and is used for box-making, packing and, to some extent, for building. Teak grows in East Pakistan but not in sufficient quantities to have commercial importance.

A considerable part of Pakistan's lumber needs, particularly of hardwood, has to be imported. Absence of statistics makes it difficult to estimate what percentage of total requirements is imported—probably a minimum of 80 per cent.

The most important lumber import is teak, used for furniture making and for doors, windows, etc. The largest supplier of teak is Burma, which in 1951-52 (April to March) exported 3,753 long tons valued at about $753 thousand. It is shipped in the form of logs and cut sizes called Burma squares. Other important suppliers of teak to Pakistan are India, Thailand, Singapore and Hong Kong. A total of 5,041 long tons of teak valued at $970 thousand came into Pakistan from these countries in 1951-52.

Softwoods from Scandinavia

Past patterns of imports show that softwood is generally imported from Sweden, Finland and Poland. It is usually sawn and used in building construction. A small quantity is dressed, such as tongued and grooved, but it is estimated that the quantity of dressed lumber imported is less than 10 per cent of the total amount coming in from those countries.

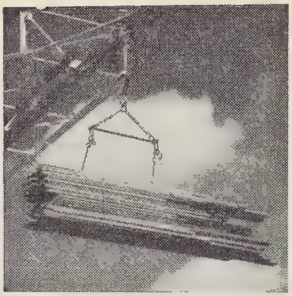
From April 1951 to March 1952, Pakistan imported softwood from Sweden to the value of about $60 thousand. For the April-June period of 1952, imports of lumber from that country were valued at about $124 thousand. The 1951-52 imports of lumber from Finland were $8,800 and from Poland $2,145. There is no record of any lumber imports from the latter two countries so far for the year April 1952-March 1953. The lumber trade shows a marked preference for Swedish soft lumber because of its quality and price.

Ties and Rifle Butts

Although the possibility of marketing Canadian lumber in Pakistan has never been good—largely because of import restrictions which Pakistan has been obliged to enforce to save foreign exchange—substantial orders of Douglas fir creosoted railway ties have been shipped to the Pakistan Railways since partition in 1947. More are being sent by Canada under the Colombo Plan. There have also been some shipments from Canada of dressed walnut butts for rifles for the Pakistan armed forces. At the moment this need is being met from home sources.

For the present, Pakistan should not be considered a good market for Canadian lumber. Exchange restrictions, difficult import regulations (at the moment lumber is not licensable from the dollar area), and the general characteristics of the market indicate that Canadian exporters can look only for occasional special sales in this market.

—A. P. Bissonnet
Commercial Secretary for Canada



The Markets in Europe

REPUBLIC OF IRELAND

DUBLIN—For many years the Republic of Ireland has been a good and constant customer for Canadian lumber, particularly spruce. At present, the timber trade is holding considerable stocks of Canadian spruce, the result of stockpiling which was thought desirable a year or two back.

Some time ago a marked recession in the construction industry began, due in some measure to increased rates of interest on building loans and the Irish banks' refusal to grant advances for house-building. Back of this is the basic fact that the incomes of the middle bracket wage-earners have not kept pace with the rise in the cost of consumer goods and services. As housing is needed primarily for this group, especially in the Dublin area, speculative building has practically ceased. These factors have adversely affected the sale of lumber and stocks on hand will not be disposed of as quickly as was once expected.

Lumber Imports 1951

Raw or Simply Prepared	Country of Origin	Cubic feet	£
Hewn-hard	Canada	2,797	679
	U.S.A.	44,399	38,061
	British West Africa	16,213	13,830
	Total Imports	85,771	74,527
		Loads	
Hewn-soft	Sweden	865	21,737
	U.S.A.	3,477	105,738
	Yugoslavia	2,807	81,259
	Canada	2,677	60,025
	Finland	953	29,926
	Czechoslovakia	1,153	23,136
	Total Imports	12,598	336,198
		Cubic feet	
Sawn-hard	Canada	81,552	44,967
	U.S.A.	146,984	111,821
	Japan	120,134	99,792
	Thailand	17,591	39,986
	Philippines	66,884	35,241
	British West Africa	45,736	50,690
	Total Imports	564,157	439,226
Sawn-soft—deals, planks and boards	Canada	55,286	1,107,791
	Finland	65,971	1,662,485
	Sweden	63,944	1,567,601
	Czechoslovakia	15,071	334,420
	U.S.S.R.	5,084	151,382
	Total Imports	213,713	5,007,987

Raw or Simply Prepared	Country of Origin	Cubic feet	£
Sawn-soft—other sorts	Canada	4,084	82,653
	Czechoslovakia	2,515	64,447
	Sweden	2,920	64,501
	Austria	2,211	45,749
	Total Imports	12,899	294,213
		Loads	
Ties	Canada	258	7,625
	France	19,416	425,875
	Total Imports	21,301	459,677

There appear to be plentiful supplies of a variety of Baltic timbers on offer to this market. Present Canadian c.i.f. Dublin quotations for rough spruce are about £77 per standard; Finnish and Swedish c.i.f. Dublin quotations for deals are about £84 per standard. Supplies of Canadian maple flooring appear to be scarce in Ireland and Japanese maple flooring strips, 4 inches x 1 inch, in the rough, are being imported. Under normal conditions, the trade here prefers to have lumber stocks on hand roughly divided in the following proportions: one-third Canadian spruce and two-thirds Baltic white. At the moment, these proportions are reversed.

The outlook for possible imports of lumber for 1953 are not good because of trading and general deflationary trends. All signs indicate a general slowing-down until present stocks are exhausted and building conditions improve.

—T. G. Major
Commercial Counsellor for Canada

BELGIUM

BRUSSELS—The basis of Canadian lumber sales to Belgium is that of filling the gap left by Scandinavian and other European suppliers. In other words, we sell in this market sawn lumber of a thickness, or of a width, or of a length which the Scandinavians either do not possess, or do not export. Our chief competitor for the business thus afforded is the United States. Lumber imports from the dollar area are subject to licence but so far licences (which automatically give the right to the necessary foreign exchange) have been freely granted.

Types and Prices

The principal gaps in the Scandinavian pattern filled in part by Canada are for coniferous sawn lumber measuring 4 to 8 inches in thickness by 6 inches and up in width, averaging 10 feet in length (flitches) and for coniferous lumber measuring 3 x 9 inches, with lengths varying between 20 and 40 feet, but averaging 28 feet (deals). A third but proportionately much smaller gap is that for Douglas fir edge-grain lumber (rifts).

The following table shows the volume and value of Canadian sales to Belgium of Douglas fir during the period 1948 to August 1952. Approximate current prices per 1,000 board feet, c.i.f. Antwerp, are: flitches—$240; deals—$140; rifts—$250.

	Value in $	Volume in 1,000 Board Feet
1948	156,271	1,051
1949	381,556	3,267
1950	915,705	7,646
1951	719,514	5,305
1952 (8 months)	102,945	584

Although Scandinavian lumber is sold on the basis of cash against documents or in some instances, cash against the arrival of goods in a Belgian port, Canadian lumber is generally still sold on the basis of a letter of credit established when orders are placed and valid for 90 days.

A significant proportion of Canadian wood, because of its size or length, enters under Benelux Tariff Item 384 a(1) and is dutiable at 10 per cent ad valorem. This item of the tariff reads as follows:

384—Wood simply sawn lengthwise—n.e.s.i.
(a) Conifers—
(1) If at any point, the thickness exceeds 76·2 millimetres
or the width excedes 279·4 "
or the length exceeds 7·01 " ...... 10 per cent

These differences in duty rates of course mean nothing as long as the duties are suspended. This state of affairs is not, however, likely to continue. In fact the suspended tariff rates of 10 per cent and 3 per cent on sawn lumber will become effective January 1, 1953, unless the three governments decree that the suspension continue for yet another year. Present indications are that the duty against the type of lumber Canada normally supplies will not again be suspended. If the duty is applied, Canadian lumber sales will suffer on two counts: first, from the consequent price increase of 10 per cent and second, from the classification and sorting which will probably be necessary because of the enforcement of the conditions of Tariff Item 384 a(1). Flitches, because of their thickness, will automatically be subject to the duty, but as far as deals are concerned, (which average 28 feet in length but vary in length between 20 and 40 feet) only those over 7·01 metres (23 feet) will be subject to the duty.

In addition, Canada's position in the market will be proportionately less favourable if the 10 per cent duty is applied against Canadian type lumber while at the same time, the 3 per cent duty against the smaller sizes supplied by Scandinavia is suspended for another year.*

—Vincent L. Chapin
Assistant Commercial Secretary for Canada

* As indicated in this report the 10 per cent has been applied against the types of lumber supplied largely by Canada and the United States; the 3 per cent mentioned in the report has, however, been suspended until January 1, 1954.

THE NETHERLANDS

THE HAGUE—The serious dollar shortage in the Netherlands has meant smaller postwar imports of lumber from the dollar area compared with prewar. These imports are confined mainly to Douglas fir.

Apart from currency difficulties, in recent years lumber has often been replaced by other materials because of generally high prices. Another handicap is high ocean freight rates from Pacific ports to this country. For these reasons, prospects for Canadian lumber sales in the Netherlands during 1953 are not bright.

Most Dutch lumber importers have already made purchasing arrangements for delivery in 1953. The main suppliers will be Sweden and Finland and an order for 10 thousand standards has been placed in Russia. A total of 50 thousand standards of Russian lumber is available for shipment to the Netherlands and it is possible that this quantity will be taken up.

Imports of Canadian lumber depend on the amount of dollars allocated by the Netherlands authorities. Upon receipt of the allocation, lumber importers are free to purchase in the United States or Canada, whichever offers the lowest price. At the end of 1951 the following dollar allocation was still available: (U.S. currency): $33,900 for clears and $10,000 for merchantable. Early in 1952, $97 thousand was allocated for clears and $48 thousand for merchantable. In addition, an allocation was granted in so-called "free dollars"—$174,500 for clears and $86,500 for merchantable. These free dollar currency licences have not yet been entirely taken up. The 1953 allocations have not been announced, but it is expected that they will be roughly the same as last year.

Generally speaking, Netherlands lumber importers prefer Canadian lumber to the U.S. product and in some instances they are willing to pay a slightly higher price for Canadian Douglas fir. Local importers say, however, that Canadian suppliers find it more difficult to satisfy Netherlands specifications than do U.S. shippers.

—W. G. PYBUS
Assistant Commercial Secretary for Canada

NORWAY

OSLO—This country is no longer an important lumber exporter because the policy in recent years has been to increase the production and export of refined wood products, such as pulp and paper, rather than to export lumber in its more natural state. The great demand for wood by Norwegian pulp and paper mills, and the great domestic need for lumber for building purposes, brought export control on October 16, 1950. Since then, export licences have been required for wood of all kinds. Because all applications for licences have been automatically refused, except where the terms of existing trade agreements are involved, this export control in practice amounted virtually to export prohibition.

Back in 1912, Norway exported 346 million FBM. In 1951, her exports totalled only 53 million FBM, of which 20 million FBM went to the United Kingdom, 16 million to Australia, 6·8 million to the Netherlands and 6 million to South Africa. During the first eight months of 1952, Norway's total exports of lumber and timber were valued at $4·6 million, as compared with $4·1 million in the corresponding period of 1951. Of this, $3·1 million represented hewn and round timber, $0·3 million sawn timber, $0·9 million, planed timber and $0·6 million box boards. The United Kingdom was by far the most important market, exports to that country being valued at $3·3 million. (Exports of refined wood products such as pulp and paper in the same periods of 1952 and 1951 were valued at $101 million and $111 million respectively.)

In recent years Norway has had to import considerable quantities of wood from Sweden and Finland to meet the constantly increasing demands of the pulp and paper mills. In the first eight months of 1952 these imports consisted of hewn and round timber to a value of $8·4 million and sawn timber valued at $8·3 million. The corresponding figures for 1951 were $6·5 million and $1 million respectively.

The recent slump in world market prices for wood, including pulp and paper, and the increased demand and higher prices for Scandinavian timber on the British market, coupled with Norway's record production of timber during the season which closed on June 30, 1952, induced the Norwegian Lumber Association at the beginning of November to request the Government's Lumber Committee to lift the export embargo.

The decision of the Government Committee to maintain, until further notice, the control of timber exports caused serious disappointment in the lumber industry. It contended that, with her present large stocks, Norway could sell substantial quantities to a number of foreign markets at higher prices than obtain in the domestic market. Recently word was received that Norwegian authorities will permit the export of 9,000 standards (18 million board feet) of timber.

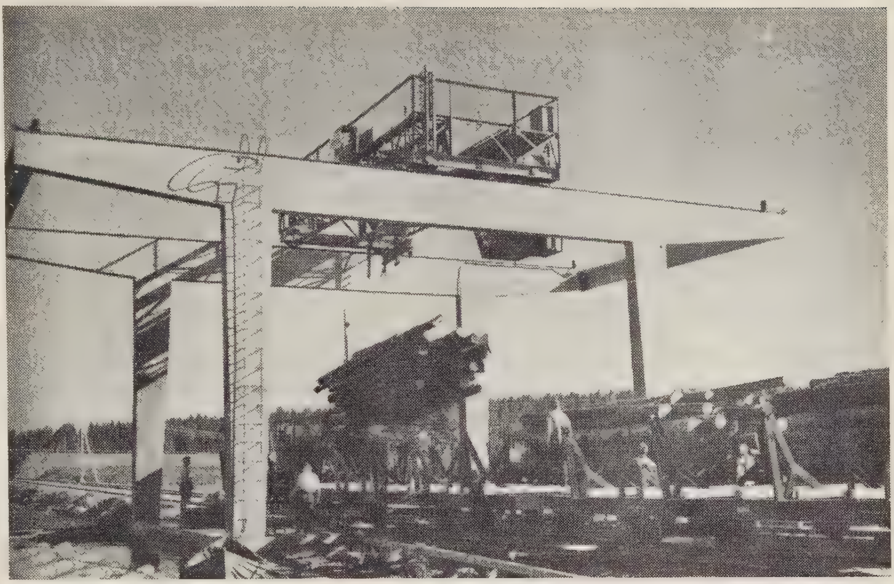
—J. L. Mutter
Commercial Secretary for Canada

Denmark

OSLO—Denmark has very limited forest resources and therefore imports rather large quantities of lumber. Principal suppliers are Sweden and Finland. During the first nine months of 1952, Denmark imported boards, planks and deals to a total value of $14·7 million, of which Sweden supplied $9·6 million and Finland $5 million. The corresponding figures for 1951 were $21·6 million, $10·8 million and $10·4 million respectively.

—J. L. Mutter
Commercial Secretary for Canada

FINLAND



—Finnish Paper and Timber Journal

This timber elevator forms part of a unique system of portaging lumber from one Finnish lake to another. The crane lifts bundles of lumber from the water onto special railway cars, which carry them to Lake Oulu. There the cars run downhill into the water until the bundles float off.

STOCKHOLM—Finland exported 608 million board feet of lumber during the first eight months of 1952, compared with 864 million for the same period in 1951. Her two largest customers in 1951 were the United Kingdom and the Netherlands; in 1952, the United Kingdom and Russia. By November 1952 Finland had sold 356 million board feet of sawn lumber to the United Kingdom for 1953 delivery. The decreased shipments in 1952 were compensated for to some extent by the higher prices obtained when the contracts for this were negotiated in 1951.

The volume of Finnish exports of sawn lumber cannot be much increased because of the need to modernize present methods of production. Capital for this modernization and expansion has been lacking over the past ten years, and it has not been possible for Finland to keep pace with world technical progress. In some respects the industry has slipped back because of the heavy demand of war reparations on Finland's resources. Perhaps the greatest single factor was the loss of Karelia to Russia in 1940.

As in Sweden and Canada, forest products are vital to Finland's economy. The attraction of capital to the lumber industry will depend upon the extent to which Finnish trade agreements can guarantee stable foreign lumber markets. The current agreement with Russia, which expires in 1955, calls for 254 million board feet of lumber, plus 850,000 square metres of prefabricated housing. This, with the U.K. market, should provide the necessary incentive to attract capital investment to the lumber industry.

—Kenneth G. Ramsay
Assistant Commercial Secretary for Canada

SWEDEN

STOCKHOLM—About half of Sweden is covered with forests and the export of forest products has always played a vital part in the country's economy. In fact, nearly 50 per cent of Sweden's export earnings come from the sale of forest products. Silviculture has been studied intensively since the beginning of the century and Canadian foresters visiting Sweden have found Swedish forest conservation methods most interesting.

The annual cut of timber—of which about 33 per cent will become lumber—is limited by the State to the annual re-growth, thus assuring a sustained yield.

Forecast for 1953

In 1951, Sweden exported 1·6 billion board feet of sawn lumber and in 1952 an estimated 1·25 billion board feet. The latest forecast for 1953 exports of sawn lumber is also 1·25 billion board feet. Sales to all foreign markets for 1953 delivery amounted to 460 million board feet as of November 1952, with 340 million of this purchased by the United Kingdom. Swedish lumber merchants have been, and still are, speculating about the effect of the British Board of Trade's announcement on November 17 that in 1953 the United Kingdom Government would control only the consumption of lumber, not its import. Since October 31, 1952, Swedish exporters no longer require export licences for lumber. Prices in the coming year will probably be lower but most companies, it is felt, will be able to survive. The number of companies that fail will depend upon the degree to which labour costs remain stable.

—KENNETH G. RAMSAY
Assistant Commercial Secretary for Canada

PORTUGAL

LISBON—Portugal, with about 25 per cent of her total land area covered with forests, is one of the most heavily wooded countries in Europe. Consequently the country has enough softwood lumber for its own needs and can export considerable quantities. For many years Portugal has realized the value of her forests and reforestation has been practised long and diligently.

Pine constitutes the major part of the Portuguese lumber industry. Considerable quantities of hardwoods have to be imported. However, Portugal is fortunate too in having available large quantities of various types of hardwood in her overseas provinces. They, together with Brazil, supply practically all her needs for imported timber.

Prices of both local and imported timber have been fairly stable during the past year and no great change is expected within the near future.

Because of Portugal's position as a producer and the present restrictions against imports from the dollar area, it appears unlikely that any opportunity will present itself in the near future for the sale of Canadian lumber.

The main Portuguese export markets during the past year have been the United Kingdom and the Portuguese overseas provinces. Exports to the United Kingdom consisted principally of rough lumber and logs.

The recently announced Six Year Plan and the amount of construction forecast in it, may mean that Portugal will look elsewhere for the additional material, rather than deplete her own forests. If this should be the case, sales opportunities for certain quantities of Canadian lumber might develop.

—H. M. MADDICK
Assistant Commercial Secretary for Canada

YUGOSLAVIA

ROME—With 29 per cent, or 8·3 million hectares, of the entire land area forested, and with an additional 1·4 million hectares of denuded lands primarily suited for forestry, the importance of that industry to the Yugoslavian economy is evident. Eighty per cent of the forests consist of beech and oak; the remainder of fir and spruce. Slavian oak commands a premium price on world markets and exports of softwood constitute an important element in the country's balance of payments position. Timber is thus the leading export, representing in 1951 and 1950 some 30·4 per cent and 32·7 per cent respectively of the total value of exports.

Production

Total fellings amounted to 8,820,000 cubic metres in 1951, of which 3,822,000 cubic metres* were softwood. The comparative figures in 1950 were 10,270,000 cubic metres and 4,886,000 cubic metres respectively. Output of forest products other than plywood and building boards was also lower in 1951 than in 1950, as the following table indicates:

Product	1951	1950
	(in thousand cubic metres)	
Pitprops	445·8	621·6
Sawn softwood	1,462·0†	2,351·0
Sawn hardwood	579·0†	609·0

Consumption

Sawn softwood consumption averaged 34 FBM *per capita* in 1938, falling severely during the war years but rising thereafter to a maximum peak of 57 FBM in 1949. In keeping with reduced production, the *per capita* consumption fell to 42 FBM in 1951 and a further reduction occurred during 1952. Canada's *per capita* consumption is approximately 230 FBM.

* 1,000 cubic metres=approx. 424 thousand FBM.

† Not including local production, which in 1950 amounted to 16,000 cubic metres of sawn hardwood and 437,000 cubic metres of sawn softwood.

In 1951 sawn softwood represented 41·8 per cent of the value of timber exports, compared with 37 per cent in 1950. Restrictions on fellings, which largely accounted for the reduced overall production and consumption of timber, also had repercussions on sales abroad, especially of rough timber and semi-manufactured products. The total exports of forest products (other than plywood, veneers, wood pulp, pulpwood, building board and paper) were:

Product	1951	1950
	(in thousand cubic metres)	
Fuelwood	149·7	263·0
Poles, posts and piling	4·3	2·1
Hardwood logs	9·8	29·1
Pitprops	22·5	113·6
Ties	44·4	67·6
Sawn softwood	631·7	737·2
Sawn hardwood	256·6	261·3

Sawn soft- and hardwoods held the most important place among these exports. The main markets for these two items in 1950 and 1951 were the United Kingdom, Italy, Western Germany and Egypt. The following tables give the breakdown.

Exports of Sawn Softwoods

(In thousand cubic metres)

Destination	1951	1950
Western Germany	74·4	11·4
Italy	88·6	51·0
United Kingdom	333·0	447·2
Egypt	35·0	48·6
Latin America	33·9	104·0
Other countries	66·8	75·0
Total	631·7	737·2

Exports of Sawn Hardwoods

(In thousand cubic metres)

Destination	1951	1950
Italy	62·1	44·3
United Kingdom	116·3	134·6
Egypt	17·1	18·3
Netherlands	23·4	29·3
Other countries	37·7	34·8
Total	256·6	261·3

Estimates recently made by Yugoslavia officials indicate an anticipated total export of about 120 thousand standards (240 million FBM) of sawn softwood for both 1952 and 1953, as compared with normal exports of about 100 thousand standards, (200 million FBM) a figure which was topped by some 35 thousand standards (70 million FBM) in 1951. In that year the effect of the required reduction in fellings was not fully felt, as it was in 1952 and will be in 1953.

In 1951, timber prices were freed to find their own market level. Average prices during that year, based on the International Monetary Fund's authorized rate of 300 dinars to U.S. $1.00, are as follows:

	Dinars per cubic metre
Sawlogs	
Fir	4,200
Beech	4,800
Oak	7,500
Pitprops	
Fir	4,000
Beech	3,400
Oak	4,200
Sawnwood	
Fir	10,000
Beech	16,700
Oak	25,400

Prices firmed considerably in 1951 as they did throughout the world but this was offset early in 1952 by severe price reductions. Since then, Yugoslav export markets have been somewhat stronger and prices steadier and higher. The considerable fluctuations of 1951 and early 1952 will probably not occur in 1953 as, with controls removed on exports and a more settled outlook in the importing countries, stabilization seems more likely than at the beginning of either 1951 or 1952.

Outlook

The measures taken towards freeing trade have, during recent months, been somewhat curtailed. Consequently, before the removal of these controls really had a chance to operate and thus enable one to predict trends, much of their effectiveness was nullified. Nevertheless, the general tendency is to allow markets more and more scope whenever possible. At the same time, the decontrolling of prices for certain products and the gradual disappearance of government distribution, except in the case of a few basic commodities, does not imply any abandonment of the system of planned economy in Yugoslavia.

—SHIRLEY G. MACDONALD
Commercial Counsellor for Canada

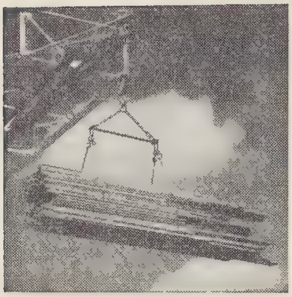
GREECE

ATHENS—Lumber importers here do not expect to do any business with Canadian firms in the near future. The current import program makes no provision for construction lumber from the dollar area. Scandinavia, Austria and Yugoslavia are at present the principal sources of supply and it is unlikely that Greece will turn to dollar sources unless these traditional suppliers cannot meet its needs.

Current Prices

Prices of "Levant type" construction lumber are currently running at about $230 per standard, cost and freight Piraeus. Swedish firms are landing their mixed grades here for about $224 per standard (i.e., 4·63 cubic metres). Total annual requirements now run at about 180 thousand cubic metres. This figure is substantially below annual requirements from 1947 to 1951, principally because of the suspension of the housing program.

—H. W. RICHARDSON
Commercial Secretary for Canada



Markets in Latin America

MEXICO

MEXICO CITY, D.F.—Canada has not been an important supplier of rough and dressed lumber to Mexico, which purchases her needs principally from the United States. Mexican lumber imports consist mainly of rough and dressed pine and spruce for construction purposes.

Mexican rates of duty on construction timber are:

Tariff No.	Unit	Specific rate (in pesos)	Ad valorem	Official Valuation (in pesos)*
2.50.31	100 gross kilos	1.00	10 per cent	39.15
2.50.34	" " "	0.30	10 " "	45.70
2.50.43	" " "	3.00	10 " "	37.55

2.50.31—Ordinary construction lumber of pine and spruce, rough or dressed, in boards, planks or beams not exceeding 55 mm. thick and 3.25 meters long.

2.50.34—As above, thicker than 90 mm.

2.50.43—As above, not exceeding 55 mm. thick and longer than three meters.

---

* One peso=approximately 11 cents Canadian.

The ad valorem portion of the duty is levied on the Mexican official valuation *or* the invoice value, whichever is the higher.

Mexico can get her supplies of rough and dressed lumber easily from the United States and from the Scandinavian countries and there are no import restrictions on this category of forest products. Prevailing prices in Mexico for No. 1 common and better grades of hardwoods from the United States, on the basis of one thousand FBM c.i.f. warehouse, are:

	(in pesos)
Red oak and white oak	2,000 to 2,500
Hickory	2,500 to 3,000
Beech	2,000 to 2,500
Poplar	1,600 to 2,000
Ash	2,000 to 2,500
Maple	3,000 to 4,000

There are substantial stands of timber in Mexico and the cut for the past ten years has averaged approximately 1 billion FBM a year, including logs, firewood, rough and dressed lumber. However, many stands are inaccessible. Near cities and where transportation has been available, Mexicans have ruthlessly exploited their timber resources,

principally for charcoal and firewood. The Government has now undertaken an extensive reforestation program and is limiting the annual timber cut.

With no restrictions on the import of rough and dressed lumber, Mexican imports in these categories are expected to increase during the next few years. Provided Canadian sources are competitive in landed price with suppliers from the United States, Mexico warrants thorough investigation as a market which is limited neither by import controls nor by exchange restrictions.

—S. G. TREGASKES
Assistant Commercial Secretary for Canada

EL SALVADOR

GUATEMALA CITY—El Salvador is practically without forest resources and, out of a territory of 13,176 square miles, only about 400 square miles has trees. The outstanding species is balsam, from which a valuable resin is extracted. Its wood is also suitable for furniture-making, for agricultural tools and for rollers for sugar mills.

There has been considerable construction of late years, and consequently imports of lumber touched a new high during 1952. The building boom shows no signs of declining and lumber imports during 1953 should hold up well.

Imports of Lumber

	1945		1946		1947		1948	
	MFBM	$	MFBM	$	MFBM	$	MFBM	$
United States	77	8,188	66	6,946	225	32,642	12	5,473
Guatemala	233	15,789	149	8,139	10	578	58	3,411
Honduras	16	726	207	9,184	1,278	60,344	454	40,932
Nicaragua	82	3,358	85	3,005	114	5,926	321	6,334
Canada	...	....	...	....	....	....	21	6,564
Mexico	...	....	...	....	6	14,953	...	....
Total	408	28,061	507	27,274	1,633	104,443	866	62,714

	1950		1951	
	MFBM	$		
Canada	4	594	(not available)	
Costa Rica	2·9	180	"	"
United States	27·8	5,184	"	"
Spain	·9	407	"	"
Guatemala	18	3,162	"	"
Honduras	6,426	273,882	"	"
Mexico	12·0	2,247	"	"
Nicaragua	919	43,502	"	"
Panama	7·5	1,952	"	"
Total	7,418·1	331,110	6,791	554,444

—J. C. DEPOCAS
Canadian Government Trade Commissioner

GUATEMALA

GUATEMALA CITY—Guatemala is a country rich in timber, notably mahogany and cedar. It also produces natural chicle on which, with Mexico, it has an effective world monopoly. The forests are in the northern provinces where vast areas (especially the Peten) are still unexplored.

The actual production, however, is out of proportion to the potential, because the accessible zones have been unwisely exploited and there is no effective reforestation program. Lack of transportation facilities acts as a permanent barrier to commercial exploitation of the inaccessible areas. According to a survey made by the Instituto de Fomento de la Produccion (INFOP), Guatemalan forests cover 65,683 square kilometres, of which 35,000 square kilometres are inaccessible. The State owns 37 per cent of the forests in the country, the same survey reveals.

Guatemala could therefore become a large exporter of fine woods and remain self-sufficient in the common woods for construction, etc. For the time being, both exports and imports are small. This is normal for imports but indicates a reduction in exports.

In 1946 exports were valued at $882 thousand. In 1947 they dropped to $758 thousand, in 1948 to $517 thousand, and in 1949 to $161 thousand. In 1950 exports were valued at $150 thousand and in 1951 at $45 thousand.

Mahogany and cedar are the principal species which Guatemala offers to the export trade; the United States is the chief buyer of the small quantities available.

—J. C. DEPOCAS
Canadian Government Trade Commissioner

HONDURAS

GUATEMALA CITY—Honduras used to enjoy a good export trade in lumber. In recent years there has been a sharp, almost vertical drop in the volume and value of exports because most of the accessible timber has been cut. Reserves of fine timber are still large and with the opening of new roads it is expected that this trade will soon revive.

According to the latest statistics available—for the fiscal year July 1, 1950-June 30, 1951—exports of all species totalled only 7·9 million FBM, of which 6·7 million was pine. There were no imports during this period.

The principal species produced are pine, mahogany and cedar. Main markets are the United States for mahogany, and Cuba and other neighbouring countries for pine and cedar. In addition to the lumber exported, substantial quantities of logs are also sold, principally to the United States.

—J. C. DEPOCAS
Canadian Government Trade Commissioner

NICARAGUA

GUATEMALA CITY—Lumbering in Nicaragua is carried on mainly along the principal rivers flowing eastward to the Caribbean Sea. About 16 thousand square miles of the country's 38 thousand square miles of forests produce usable timber. Mahogany, pine and cedar, in logs or as sawn lumber, are the leading exports. Other species exported include cocobola, laurel, bamboo and oak.

Nicaragua's principal markets for lumber are the United States and neighbouring Caribbean countries. Small quantities are shipped to Europe. Lumber ranks after gold, coffee and sesame among Nicaragua's leading exports. Imports of lumber are negligible.

The value of lumber exports in 1951 was $1·4 million. Figures for the quantity and value of exports in the years 1945-48 follow:

	Quantity (MFBM)	Value (dollars)
1945	13,359	667,660
1946	19,611	986,864
1947	28,504	1,724,760
1948	20,816	1,330,748

—J. C. DEPOCAS

Canadian Government Trade Commissioner

COSTA RICA

GUATEMALA CITY—About 75 per cent of Costa Rica (14,750 square miles) is covered with forests. Those in the Atlantic region are the largest, but only the more accessible ones on the Pacific are exploited. The most important of the many types of lumber produced are balsa, cativo and cedar. The United States is the largest importer. Costa Rican lumber exports in 1950 were valued at $223,339, in 1951 at $332,119, and in the first six months of 1952 at $109,505.

This country's lumber imports are limited to the species required for building construction, and since 1947 their value has never exceeded $300 thousand. Canada enjoyed a good share of the Costa Rican market during 1947 and 1948 but has since lost it to Honduras and the United States. The following figures show the value of these imports and the supplying countries:

Costa Rica's Lumber Imports

	1947	1948	1949	1950	1951
Canada	$113,661	$ 70,067	....	....	....
United States	137,733	81,732	10,323	3,831	82,505
Honduras	9,667	22,075	118,826	250,510	135,547
Nicaragua	16,934	4,113	....	....	....
Finland	....	1,029	....	....	....
	$277,695	$179,016	$129,149	$254,341	$218,052

—J. C. DEPOCAS

Canadian Government Trade Commissioner

PANAMA

GUATEMALA CITY—Panama has over 50 species of commercially valuable timber but her forests have not yet been scientifically exploited. East of the canal, in the Province of Darien particularly, the lack of transportation facilities has retarded forest exploitation. Mahogany is the most important species. It is of a very fine type, particularly in the Province of Veraguas on the Pacific Coast, and is exported mainly to the United States and, to a lesser extent, to Cuba, the Dutch West Indies and Venezuela. Panama can also offer good quality walnut and oak.

During 1950, Panama's exports of mahogany totalled 1,848,376 square feet, valued at $274,337 and during 1951, 2,246,656 square feet, valued at $411,401. The 1951 figures reflect an increase both in volume and in unit price. Exports of "other" lumber (mostly pine and cedar) were 3,421,940 square feet valued at $170,308 in 1950 and 6,037,166 square feet, valued at $186,486, in 1951. During these same years, imports of lumber for building construction totalled 3,652 MFBM and 3,198 MFBM, valued at $320,026 and $315,489 respectively. It is presumed that most of these imports came from the United States, which has replaced Nicaragua and Honduras, the leading supplying countries until 1948. Better shipping facilities between North America and Panama, combined with a reduced supply in Honduras, may explain why this trade has been shifted to the United States.

—J. C. DEPOCAS
Canadian Government Trade Commissioner

COLOMBIA

BOGOTA—Colombia has vast forest reserves capable of tremendous exploitation and a tropical climate which ensures continuous heavy growth. The Republic, larger than the Province of Ontario, should be able to meet its own lumber requirements and have a healthy surplus for export. But there are many problems to be solved before large-scale export can be expected. These include the difficulty of access to certain forest areas because of mountainous terrain, the hard climate, and the problems of exploiting various types of trees which do not appear in clear stands as in Canada. However, in spite of these obstacles, local production is expanding and is showing great promise.

Not only does there now appear to be sufficient domestic production to meet local demand but there is a small surplus available for export. Shipments have been made to the U.S., Germany, Puerto Rico, Cuba and Uruguay. Foreign interest in investing in forest production here is increasing. A recent press report indicated that the International Bank for Reconstruction and Development is anxious to exploit the forest areas around the Gulf of Tumaco. Plywood factories protected by high tariffs

have been opened in Cali and Bogotá. There is talk of an integrated wood pulp mill which, with allied lumber products, may go far to meet domestic requirements.

Imports and Exports

According to the latest available Colombian Government figures, imports and exports of rough and dressed lumber during the year 1951 were as follows:

Type	Imports		Exports	
	Net kilos	Value c.i.f. (pesos)*	Net kilos	Value f.o.b. (pesos)
Raw logs	315,644	75,473	3,427,689	217,310
Logs squared, rough	25,304	8,133	....	....
Sawn logs	782,819	180,855	1,159,266	212,788
Processed and dressed wood, etc.	253,494	108,212	....	....

* One peso equals approx. 39 cents Canadian.

Most lumber products are not on the prohibited import list and tariffs on them have not been raised as they have on many other items.

The outlook for sizable exports of Canadian lumber to this market is not promising. Although prices for the local products are showing a tendency to rise as more forest areas are exploited, increasing competition from local producers and the high internal costs of transportation here militate against large-scale imports. Colombia offers a relatively small market because of the variety of substitute materials available. It is not a quality market and the lower grades appear to meet the domestic consumer's requirements. There would seem to be some sales possibilities on the Atlantic coastal region centering on the port city of Barranquilla. Large-scale construction work such as the building of camps by oil companies and the creation of huge companies with large construction projects, such as the Paz del Rio steel company, may provide further openings for alert Canadian lumber exporters.

—John E. Lancaster
Assistant Canadian Government Trade Commissioner

VENEZUELA

CARACAS—Venezuela is a lumber importer in spite of the fact that forests cover about two-fifths of the country's area. This situation is likely to continue for some years because the forests near the urban areas have been depleted and the remaining timber stands are in remote regions with no communication with the principal consuming centres.

The chief demand is for second-grade lumber suitable for cement forms. Local brick and cement are more popular than wood as construction materials, because of the tropical climate and the destructive insects. First-grade lumber is generally used for special structures such as bridges, flooring in oil derricks, and drydocks.

Venezuela lumber imports are now close to 24 million FBM a year. Approximately 90 per cent of this is pitch pine, which comes principally from the southern United States, and in smaller amounts from Honduras,

Nicaragua, and Guatemala. Douglas fir makes up most of the remaining imports and in 1951 the United States supplied 2·1 million FBM and Canada 350 thousand FBM.

White pine, pitch pine and Douglas fir enter Venezuela duty-free, provided that they arrive as timber measuring more than 25 centimeters (approximately 10 inches) in thickness at both ends. The import duty of approximately $3.20 Canadian per 100 lb. on lumber less than this size has proved sufficiently high to ensure that timber rather than sawn lumber are brought in, and the local sawmill industry is protected. Imported timbers average 10 to 20 feet in length.

The Outlook

There are no import restrictions on lumber entering Venezuela and the prosperity of the oil industry indicates that there will be ample foreign exchange for many years. Construction activities are continuing at a high level, and imports of rough lumber in 1953 should be 15 per cent greater than last year. The exploration program being undertaken by the oil companies and the requirements of the iron ore industry should increase the demand. Canadian shippers could obtain additional business if they were able to compete with the price now being quoted for pitch pine, from US$120 to $125 c.i.f. La Guaira. It is essential also to meet the prevailing terms, which are payment of freight and insurance by sight draft, with value of shipment payable within 60 to 90 days.

—J. A. Stiles
Consul of Canada and Trade Commissioner

BRAZIL

RIO DE JANEIRO—The four southern states, São Paulo, Paraná, Santa Catarina and Rio Grande do Sul provide Brazil with commercial timber for both the domestic and the export market. In 1951 these four states produced approximately 1·3 billion board feet of pine and 318 million board feet of other woods. Paraná, producer of the pine which commonly carries the name of the state, leads in the production of this, the most important wood exploited commercially in Brazil.

The following table shows Brazilian production of sawn lumber for the years 1945 to 1951 inclusive:

(millions of F.B.M.)

Year	Pine	All other species
1945	600	326
1946	563	404
1947	662	377
1948	639	339
1949	795	264
1950	983	276
1951	1,329	315

The commercial development of the pine lumber industry began before World War I when Brazil was a large importer of softwoods, chiefly from Canada and the United States. To a limited degree North American methods of logging and sawing, etc., were introduced and World War I gave the industry a period of comparative prosperity. Imports declined and a pattern of export trade, mainly to other Latin American countries, was developed.

Many difficulties faced the industry during its early years of export trade. Destruction of the forests, lack of adequate planning and poor transportation were the major ones. In 1941 the Federal Government passed a law founding the Pine Institute, with the following basic objectives:

- To improve production methods by using modern machinery and techniques, and modern transportation methods.
- To standardize and classify the different variety of woods.
- To disseminate information on reforestation.
- To develop domestic and foreign markets.

The reforestation efforts of the Pine Institute are now bearing fruit. There are eight forest reservations containing 20 million pine trees and over 100 thousand trees of other species. Private industry is becoming acutely aware of the need for reforestation and private initiative is giving the Pine Institute much assistance.

Export Boom

During World War II, Brazil experienced another boom in export of lumber, largely, as might be expected, to River Plate markets. After 1945 the industry's export business increased remarkably and, in addition to Argentina and Uruguay, European countries began to purchase from Brazil. But as U.S. economic aid to Europe was cut down, European purchases fell off. The United States and Canada import some pine. The following DBS figures show Canadian imports of Brazilian white pine since 1950:

	Value	Million FBM
1950	$ 38,904	327
1951	503,162	3,855
1952 (9 months)	380,993	3,012

Export figures supplied by the Brazilian National Pine Institute are as follows:

Brazil's Pine Exports

	1948		1949		1950	
	Million FBM	Thousands $	Million FBM	Thousands $	Million FBM	Thousands $
Argentina	402	33,652	265	23,500	207	16,300
Australia	7	682	11	1,220	26	1,942
United States	14	1,365	2	236	53	3,334
United Kingdom	10	1,128	4	315	82	4,804
Uruguay	37	3,360	35	3,150	37	3,386
Totals	470	40,187	317	28,421	405	29,766

Barter deals abroad were attempted and some were consummated with Canadian firms. However, in general Brazil has considered these unsatisfactory.

Prices Out of Line

In the face of declining world prices for pine lumber, the southern Brazilian states are threatened with a serious decrease in foreign business. In the first four months of 1952 pine lumber exports were down about 10 per cent from the comparable period in 1951, although the value in cruzeiros showed an increase of 10 per cent. Southern producers have apparently been unable to bring prices into line with world prices because of high production costs and inadequate transportation facilities.

When the objectives of the Pine Institute begin to have some effect on production methods and transportation, Brazil may expect to increase her export trade in lumber and to take greater advantage of the commercial possibilities of lumber production in the Southern States.

—M. P. CARSON
Vice-Consul of Canada and Assistant Trade Commissioner

CUBA

HAVANA—Cuba is a good market for rough lumber because local production meets only a small part of the country's needs. Imports in 1951 averaged over six million board feet a month, a total of 74 million board feet with a value of \$8·7 million. (Value in 1950 was \$7·7 million.) This volume of imports was maintained in 1952. Canada supplied only \$136 thousand worth last year as compared with \$6 million from the United States and \$1 million from Honduras. (The latter are the two principal suppliers.) The remaining supplies came from other countries in the Caribbean area.

Cuba uses wood chiefly for construction and furniture-making. Although in former years Canada supplied considerable quantities of lumber for box-making, the wooden box has been replaced by the corrugated cardboard container.

Breakdown of Imports

A study of the varieties of wood imported shows that the great bulk of rough lumber is southern yellow pine, followed by cedar, tropical gumwoods and mahogany. The 74 million FBM of lumber imported last year was made up as follows:

	Board feet
Southern yellow pine	61,831,658
Cedar	6,241,059
Sap gum and tupelo	2,838,645
Mahogany	753,316
White pine	275,537
Douglas fir	42,012
Maple	24,372
Creosoted poles	2,031,729

The termite is endemic to Cuba and there is, therefore, a natural preference for termite-proof woods in building construction and furniture manufacture. The other important factor, of course, is price. The proximity of the United States and Honduras, with their ample supplies of Southern yellow pine, has given them a commanding position in the Cuban market. This is particularly true of the United States because the freight car ferry between Palm Beach and Havana permits cars loaded in the southern states to unload directly in the Cuban merchant's own yard. This means a substantial saving in costs. Furthermore, the Cuban tariff favours American rough spruce and all dressed or further manufactured lumber. Because of these facts, there appears to be little possibility of Canada obtaining a substantial share of this market.

—A. W. Evans
Commercial Secretary for Canada

DOMINICAN REPUBLIC

CIUDAD TRUJILLO—The chief problem delaying lumbering operations in the Dominican Republic is the lack of roads and transportation. The best and most accessible timber has already been cut and getting the logs out from the mountainous interior is extremely difficult. There are eight to ten large sawmills in the Republic and some forty to sixty small ones.

Pine ranks first in the production of lumber, closely followed by green ebony. These trees are found, although not in great numbers, on the rugged slopes of the Cordillera Central. Satinwood grows in the hills and there are also certain quantities of mahogany and dyewoods. Mahogany is sold rough and production is scattered. To make up a truckload, buyers sometimes have to purchase from a number of different producers. Lignum vitae, a hard and heavy wood used for many purposes, occurs in most parts of the country and was once exported in considerable volume.

The demand is good and because of the local prices there is little incentive to export. Indeed exports are discouraged and are subject to permit. At present wholesalers pay US$128 per thousand feet and the consumers as much as US$145-$150. In August 1953, a new law will come into force, requiring all lumber to be dried in kilns. This will again increase the local price.

Imports are few and are confined to dry white pine from the United States. Duties are high and eventually, it is expected, imports will disappear completely. Because of the local demand and the opening of new roads the industry is developing, but the chances of lumber achieving any prominent place among Dominican exports are rather slim.

—R. E. Gravel
Canadian Government Trade Commissioner

The Other Markets

JAPAN

TOKYO—It seems probable that Japan will gradually increase lumber imports from British Columbia and the Pacific Northwest. Imports from that area have been relatively small since the end of the war because Japan's lumber needs have been supplied principally from domestic sources.

The Japanese Government imposed cutting restrictions on softwoods at the beginning of 1952. This reduced stockpile of domestic lumber at the end of the year and prices were 30 per cent below those of a year ago. The market for both domestic and imported lumber has been inactive in recent weeks because of the tight money supply. However, there were fairly heavy purchases of West Coast lumber in September and October.

More Lumber Used

The postwar consumption of lumber in Japan has been particularly heavy. The country has needed substantial quantities for reconstruction, for housing a steadily increasing population, for transportation and for industry. The Korean war brought additional demands for the UN forces and Korean rehabilitation. These combined demands have made serious inroads on Japan's previously depleted timber resources which have an estimated life of ten to fifteen years.

Imports Rise

There is a large potential demand for lumber for housing in the leading industrial centres throughout Japan. Price will determine the extent to which the housing needs can be met. Because Japan has a substantial sawmill capacity, the emphasis will be on logs rather than lumber. The extent of annual imports will depend on domestic supplies and prices. Domestic lumber for building purposes was quoted at approximately $69 per MFBM at the end of the year. This price was slightly higher than the ruling rate on imported lumber. Lumber and log imports into Japan from the Pacific Northwest from January-October, 1952, are listed below.

Squares	3,660,593	FBM
Flitches	1,388,688	"
Logs	2,003,576	"
Pilings	630	pcs.

Other lumber and log imports in the same period included approximately 160 million board feet of logs from the Philippines and 21,285 cubic feet of teak from Thailand. Imports from the West Coast during the first nine months of 1952 were well above those of the preceding year.

—J. C. BRITTON
Commercial Secretary for Canada

PHILIPPINES

MANILA—The Philippines have large forest reserves and are substantial producers of hardwood lumber and logs. About 80 per cent of the output is consumed locally and 20 per cent exported. The industry has made great strides during the postwar years and production has increased from 14·5 million board feet in 1948 to 252 million board feet in 1951. Output declined, however, in 1952, reflecting a falling-off in both domestic and export sales and increased operating costs within the industry.

During the first ten months of this year, exports of lumber amounted to 55·5 million board feet, or 12 per cent more than the 49·5 million board feet in the same period of 1951. The principal markets are the United States, which took 66 per cent of the exports, South Africa with 12 per cent, and Hong Kong with 5·5 per cent.

Shipments of logs and timber for the first ten months of 1952 totalled 185 million board feet, or 15 per cent below the total of 217 million board feet in the same period of 1951. Japan was the chief market for logs and timber, with 86·2 per cent of the shipments, followed by the United States, with 8·1 per cent, and Formosa and Guam which together took 3·7 per cent.

Outlook for 1953

Because of higher operating costs, the industry foresees a further decline in production during 1953 unless there is a greater foreign demand for Philippine lumber and logs. The trade does not expect much change in overseas sales for the coming year. Shipments of logs and timber to Japan may increase because of the shortage of lumber in that country. Demand from the United States for lumber and logs is expected to remain steady and at about the same level as in 1952. Increased business with South Africa seems unlikely because of the shortage of dollar exchange. For the same reason, little demand is expected from European countries.

—W. D. WALLACE
Vice-Consul of Canada and Assistant Trade Commissioner

ISRAEL

ATHENS—The shortage of dollars and the unfavourable balance of payments will probably force the Israeli Government to continue the present import restrictions. This, and the absence of a published import program, probably means that Israel will buy its lumber requirements during 1953 largely from European suppliers. Many buyers there do prefer the high grades of Canadian lumber, but freight rates on and prices for the Canadian product are currently higher than for North European redwood and Southeast European whitewood. Anticipated price increases for the latter may possibly mean some business in Eastern Canadian spruce. Orders for lower West Coast grades will, however, be more difficult to obtain if freight rates remain at the present high of $90 per 1,000 FBM. On the whole, the outlook is poor for the sale of Canadian lumber to Israel this year.

During 1951 Israel imported approximately 131 million FBM, including 21·3 million FBM of Canadian West Coast lumber and 2·5 million FBM of East Coast lumber. Total imports were down to 25 million FBM during the first eleven months of 1952 because of large stocks left over from 1951, building restrictions, and the Government's deflationary policy. None of this lumber was obtained from Canada, though a further 11 million FBM of undelivered orders placed late in 1952 include two million FBM of Canadian East Coast lumber.

Main port of supply and transit for lumber going to Israel is Trieste, where present quotations are about $92 per 1,000 FBM c.i.f. Israeli port (freight rates $11) for Austrian, Czechoslovakian and Yugoslavian whitewood. Deliveries average 30 to 60 days. Finnish and Swedish redwood are approximately $135 per 1,000 FBM (freight $30), 1953 spring delivery.

—H. W. RICHARDSON
Commercial Secretary for Canada

EGYPT

CAIRO—The demand in Egypt for lumber has slackened. In 1950 and 1951 buyers purchased far more timber than they needed, fearing both a shortage because of the Korean campaign and a rise in prices. However, during the past ten months prices have dropped considerably and, so far as sawn Scandinavian redwood is concerned, the local market is firmer. In fact, prices for this variety have recently increased by about $6.80 per MFBM. This increase is the result of heavy buying, particularly by the United Kingdom.

On October 7, 1952, the Government placed severe import restrictions on all commodities entering Egypt because of the acute shortage of sterling. In spite of an advance release of £5 million recently made by the United Kingdom from Egypt's sterling balances in London, the

country's sterling resources are regarded as insufficient to permit an early relaxation of the general import licensing restrictions. Accordingly the situation for importers has become more complicated than ever.

The market in Egypt for Canadian lumber remains unchanged. The merits of Douglas fir are still not fully appreciated in this country. It is considered too expensive in comparison with prices for Scandinavian redwood. Under normal conditions, East Coast spruce is also considered unsuitable for this market both in size and price.

The dollar shortage is still a problem. However, what is known as the Egyptian Export Account still exists and this means that dollars to pay for certain essentials, (including timber and timber products), are obtained on the free market at a premium of about 12 per cent above the official rate. This type of transaction is permitted by the Egyptian Exchange Control and is not black market trading. However, the price of Canadian products must be competitive to meet this exchange premium.

—W. H. Hopper
Office of the Canadian Government Trade Commissioner

SAUDI ARABIA

CAIRO—The market for building material in Saudi Arabia is good. Many private residences, public buildings, palaces and government buildings are now being constructed or planned. The extensive building and public works program covers mainly Mecca, Jedda, Taif and Medina in the Hejaz, Riyadh (the capital) in the Nejd, and Dammam, Hofuf and al-Khobar in eastern Saudi Arabia.

Principal imported materials in use are hewn and cut timber, reinforcing iron and steel bars and cement. Local contractors use an abnormally large proportion of wood in their buildings. In Jedda particularly, where coral rock is still widely used and is liable to crush under its own weight, it is common to see a four or five storey house with many hundreds of square feet of reinforcing woodwork in its outer walls alone. Timber is also used extensively for the balconies which often project from every window and on every floor.

Malayan timber is particularly popular and the most favoured sizes (in inches) are 3 x 8 and 2 x 8, (both are frequently used for ceilings, beams and rafters); $1\frac{1}{2}$ x 8, 1 x 8, $\frac{3}{4}$ x 8 and $\frac{1}{2}$ x 8 are also in some demand. The preference for this width is, however, only a custom. The timber is usually sawn down after receipt.

Import trade in Saudi Arabia is carried out, to a large extent, on the basis of free market dollars. Existing import and exchange controls usually do not interfere with what used to be considered the normal movement of foreign trade. Consequently, Canadian goods which are competitive and in demand can be sold.

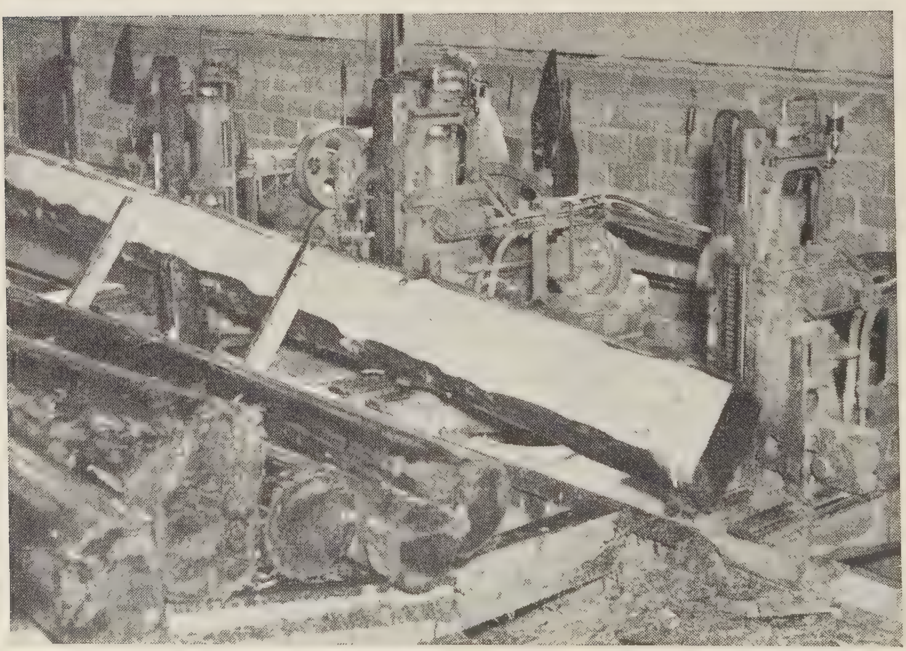
—W. H. Hopper
Office of the Canadian Government Trade Commissioner

TURKEY

ATHENS—Turkey is currently running its largest balance of payments deficit in history. Under these circumstances, it is most unlikely that it will make foreign exchange available at official rates for Canadian lumber. Clearing agreements and the EPU trade liberalization plan have assisted importers in procuring supplies from European sources. At present, lumber can be imported from Canada only under compensation arrangements which involve a premium of almost 100 per cent for Canadian dollars. When freight differentials are added, it becomes apparent that the prospect of Canadian lumber exporters doing business in Turkey just now is extremely slight.

Sweden, Austria, Finland and Yugoslavia are now Turkey's principal sources of supply. Prices in the domestic market are based mainly on day-to-day quotations from Trieste, the most important lumber entrepôt in this area. C.i.f. quotations Istanbul have been rising in recent weeks. The latest figures available are $280 per standard (4·63 cubic metres) for redwood and $230 per standard for whitewood. Supplies are described as adequate.

—H. W. RICHARDSON
Commercial Secretary for Canada



—Price Bros. & Co. Ltd.

A log becomes lumber. This one, from an Eastern Canadian forest, is being turned on the carriage before the second cut is made.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalents multiply by 1·0309.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Jan. 29*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1293	
		Basic buying	·1940	(1)
		Preferential selling	·1940	
		Basic selling	·1293	
		Free	·0698	
Austria	Schilling		·04541	
Australia	Pound		2·1870	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01936	
Bolivia	Boliviano	Official	·01617	tax 5% (1)
		Differential	·00965	tax 3% (2)
British West Indies	Dollar		·5695	(3)
	Pound		2·7337	(4)
	Dollar	Brit. Honduras	·6834	
Brazil	Cruzeiro		·0524	tax 8% (2)
Burma	Kyat		·2050	
Ceylon	Rupee		·2050	
Chile	Peso	Official	·03124	(1)
		Commercial	·01615	
		Free	·00835	
Colombia	Peso	Basic	·3880	tax 3% (2)
		Coffee buying	·4228	
Costa Rica	Colon	Official	·1731	(5)
		Free	·1463	*Nov. 28
Cuba	Peso		·9700	tax 2%
Czechoslovakia	Koruna		·01940	
Denmark	Krone		·1404	
Dominican Republic	Peso		·9700	
Ecuador	Sucre	Official	·06466	(6)
		Free	·05607	
Egypt	Pound		2·7854	
Fiji	Pound		2·4628	
Finland	Markka		·00422	
France	Franc		·00277	
French Africa	Franc		·00555	
French Pacific	Franc		·01526	
Germany	D Mark		·2310	
Greece	Drachma		·000065	
Guatemala	Quetzal		·9700	
Haiti	Gourde		·1940	
Honduras	Lempira		·4850	
Hong Kong	Dollar	Free	·1603	*Jan. 16
Iceland	Krona	Official	·05956	
		Special buying	·04580	
		Special selling	·03722	
India	Rupee		·2050	
Indonesia	Rupiah	Basic	·08509	
		With Surcharge I	·04254	(7)
		With Surcharge II	·02836	
		Dollar certificate	·00183	*Dec. 15

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Jan. 29	(See below) Notes
Iran	Rial	Certificate I	·01121	*Jan. 7
		Certificate II	·01115	*Jan. 7
Iraq	Dinar		2·7337	
Ireland	Pound		2·7337	
Israel	Pound	Basic	2·7160	
		Special	1·3580	
		Investment	·9700	
Italy	Lira		·00156	
Japan	Yen		·00270	
Lebanon	Pound	Free	·2715	*
Mexico	Peso		·1121	
Netherlands	Guilder		·2553	
Netherlands Antilles	Guilder		·5144	
New Zealand	Pound		2·7337	
Nicaragua	Cordoba	Effective buying	·1470	(8)
		Official Selling	·1375	
		With Surcharge I	·1205	
		With Surcharge II	·0965	
Norway	Krone		·1358	
Pakistan	Rupee		·2932	
Panama	Balboa		·9700	
Paraguay	Guarani	Basic	·06467	(1)
		With Surcharge I	·04619	(9)
		With Surcharge II	·03233	
Peru	Sol	Certificate	·0622	
Philippines	Peso		·4850	tax 17% (2)
Portugal	Escudo		·03380	
El Salvador	Colon		·3880	
Singapore & Malaya	Straits dollar		·3189	
South Africa (Union of)	Pound		2·7337	
Spain & Dependencies	Peseta	Basic buying	·04429	
		Basic selling	·08645	(1)
		†Basic commercial selling	·05906	
		Free	·02446	
Sweden	Krona		·1875	
Switzerland	Franc		·2261	
Syria	Pound	Free	·2613	*Dec. 15
Thailand	Baht	Official	·07760	(1)
		Free	·05729	*Nov. 28
Turkey	Lira		·3464	
United Kingdom	Pound		2·7337	
United States	Dollar		·9700	
Uruguay	Peso	Official	·6386	
		Basic buying	·5449	
		Special buying	·4127	(1)
		Basic selling	·5105	
		Special selling	·3959	
Venezuela	Bolivar		·2896	(10)
Yugoslavia	Dinar		·00323	

* Latest available quotation date.
† Since the "Basic selling" rate is for State purchases only, we are now also quoting the "Basic commercial selling" rate.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective rate for all Indonesian exports to dollar area is basic rate plus 70 per cent of dollar certificate rate. Cost of imports is increased by full amount of dollar certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to all Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11.

For More Information on . . .

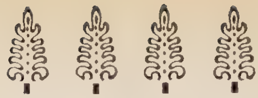
- *lumber and manufactured wood products*
- *logs and lumber products*
- *pulp and pulpwood*
- *newsprint, papers, converted paper products*

Write:

Wood and Wood Products Section

- *G. H. Rochester, chief*
- *J. C. Dunn*
- *R. Bonnar*
- *M. N. Murphy*

Department of Trade and Commerce, Ottawa

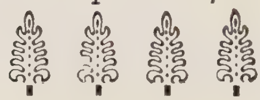
Canada has a lot of .

It's easy to 

and saw them into .

The problem is how to earn $ $ $ for your .

It's a problem, because other countries

have a lot of  also,

or because other countries have no $ $ $,

which is more serious.

To throw some  on these problems and

perhaps help you earn $ $ $ for your ,

just fill in the  below.

Supervisor of Government Publications,
The Queen's Printer,
Ottawa, Canada.

Attached is my cheque/money order for $2.* made payable to the RECEIVER GENERAL OF CANADA. Please send me **foreign trade** for one year.

Name..

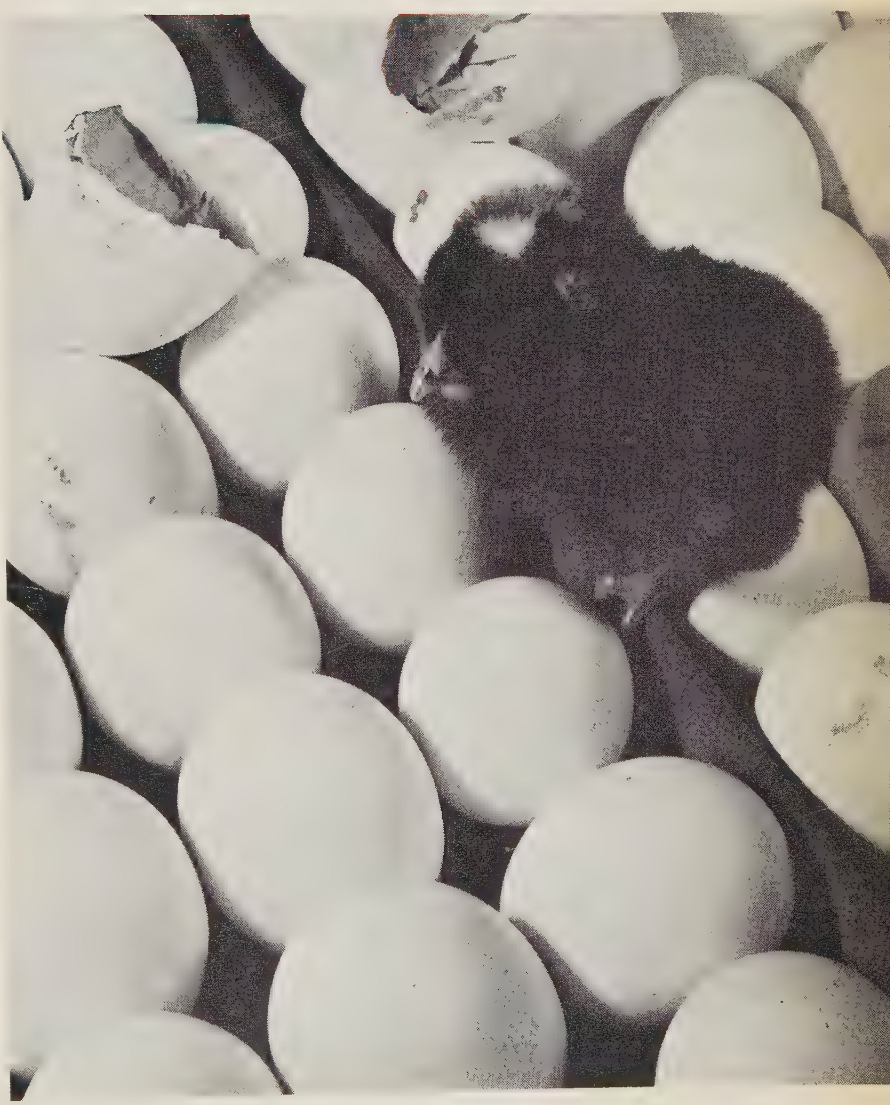
Street..

City, Zone and Province..

*$3.50 a year outside Canada 7/2/53

foreign trade

FEBRUARY 14, 1953



United States Agriculture
. . . today and tomorrow (page 2

foreign trade

VOL. 13 OTTAWA, FEBRUARY 14, 1953 NO. 320

:OVER . . . With higher ·gg prices forecast for this ·pring in the United States, ·armers will be raising more ·hickens to replenish their lay·ng flocks. For a story on this ·nd other aspects of the U.S. ·gricultural scene, turn to ·age 2.

—USDA Photo

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

U.S. Agriculture
. . . Today and Tomorrow

Economic position of United States farmers is not as favourable as it was in February 1952, but the future seems promising.

WASHINGTON—On the whole, United States farmers were prosperous as 1953 began. Farms are geared to high production and the output of agricultural products in 1952 set a new record—43 per cent above the average annual output of 1935-39. Farmers' cash receipts for 1952 are estimated at $33·5 billion, slightly above those of 1951. The volume of marketings in 1952 was 5 per cent above 1951 and farmers' total gross income set another new record. However, the large supplies to be marketed and high costs of production have affected farm income adversely. Total assets of United States agriculture, including financial assets of farmers, are estimated as $172·1 billion at the beginning of 1953. This is 2 per cent above the valuation of January 1, 1952, but considerably less than the 12 per cent increase in 1950 and the 9 per cent increase in 1951.

Demand and Prices

Farmers in the United States look for a continued high domestic demand for farm products during 1953. Employment will be maintained and wage rates and consumer incomes will probably rise moderately. Economic activity may level off, however, in the latter part of the year.

Exports of farm products in 1952 were below the record of a year earlier and probably will continue lower through 1953, partly because of an improved supply of farm products in other parts of the world, and partly because of the continuing dollar shortage which makes it difficult for foreign countries to buy U.S. products.

Marketings of farm products in 1953 are expected to hold near record levels if growing conditions are favourable. Prices received by farmers for all commodities in December 1952 were 12 per cent below December 1951 and, in fact, the lowest in two years. However, they were still considerably above those which prevailed before the outbreak of war in Korea. Some further easing in prices farmers receive seems likely for 1953, particularly for beef cattle and vegetables.

Farmers' realized net income in 1953 is expected to be somewhat smaller than in 1952 because cost rates to farmers for most commodities used in farm production are likely to rise gradually over the year. So will farm wage rates. Interest and tax charges are also expected to be higher. Marketing charges are continuing to rise and further increases appear likely. Freight rates have increased several times since the end of the war and there is new pressure to raise trucking rates. Wages in

food processing and distributing industries are still going up. A further rise in marketing charges will intensify the squeeze between income and costs both for farmers and consumers.

Producers of the six "basic" commodities—corn, wheat, rice, cotton, tobacco and peanuts—can be sure of good prices until the end of the 1954 crop year, because the United States Government is committed to support prices of these commodities at 90 per cent of parity until then. Moreover, the new Republican Administration has promised to give attention to supporting the prices of non-storable or perishable commodities.

Meat and Meat Animals

Cattle production has been expanding for four years. The number of cattle on farms increased from 77 million in January 1949 to a record 93 million in January 1953. Cattle slaughter will continue to increase in 1953, probably by 10 to 15 per cent. If, however, drought should occur, a higher percentage increase can be expected. A sharp decrease in hog production in 1953 seems likely. The spring pig crop may be 13 per cent less than it was in 1952.

Rising slaughter of cattle has brought substantial price reductions and cattle prices in general are likely to be even lower in 1953. Farmers paid sharply lower prices for feeder cattle during the winter of 1952-53. Hog prices in 1953 should average higher than the previous year and prices of lamb are expected to remain about the same.

Dairy Products

Another year of good markets for dairy products is expected. Milk prices will probably not differ greatly from those of 1952. Cash receipts from marketings probably will be somewhat higher, but production costs will probably increase and the net income from dairying thus may be little changed.

Farm Forecast for '53

- *Exports of farm products will probably continue below those of 1951.*

- *Net income of U.S. farmers this year may be smaller than in '52 because farm wage rates will rise and prices of commodities used in farm production will go up.*

- *Egg prices may improve because of smaller supply, broiler production increase slightly.*

- *Overseas demand for wheat will fall below that of 1952; domestic sales will hold steady.*

- *Hog production will probably decrease sharply and prices go higher; beef cattle prices may be lower than in 1952.*

68429—1½

Production of milk in the United States has not increased in the past ten years at the same rate as population and total agricultural output, largely because dairying has not proved as profitable as competing branches of agriculture. The competitive position of dairy products improved somewhat in 1952 but this improvement is not likely to be sufficient to increase milk flow significantly in 1953. A slight increase is possible.

With a stable flow of milk and a rising population, the *per capita* production of milk has declined to a record low level. Consumption of milk fat in the form of butter has also gone down but, by using a larger proportion of the non-fat solids for food instead of for feed, the consumption of this component of milk has increased about 20 per cent in the past 20 years. Consumption of each of the dairy products (except butter) will be as high in 1953 as in 1952—or a little higher. Consumption of butter will decline to a record low of just above eight pounds per person, less than one-half of the 1935-39 average. Margarine consumption, on the other hand, reached 7·7 pounds in 1952 and will be large again in 1953.

Poultry and Eggs

Egg producers may see a considerable improvement in prices in 1953, largely because there will be a smaller supply available to consumers. On January 1, 1953, there were 2 to 4 per cent fewer layers on farms than a year earlier. Higher egg prices in the spring of 1953 should mean a larger number of chickens being raised for laying flock replacements. The increase may be as much as 5 per cent over 1952's figure of 617 million. Broiler production probably will increase slightly in 1953 but not as much as the estimated 9 or 10 per cent increase in 1952. Broiler prices may average slightly lower than in 1952.

Crop Production

The volume of crop production in the United States in 1952 was the second largest in history, exceeded only by 1948. This record was achieved in spite of drought in many areas of the country. The quality of the principal crops was generally excellent.

Corn—The estimated 3,307 million bushel corn crop of 1952 was the second largest ever produced, 14 per cent bigger than in 1951 and 10 per cent bigger than average. The yield per acre was 40·6 bushels, second only to the 42·5 bushels of 1948. Much of the 1952 crop was shelled for market direct from the field, indicating the generally high quality and low moisture content.

Feed Grains—The total supply of all feed grains, including corn, produced in 1952 is adequate for feeding needs until the next crop is harvested. There may be a small increase in carryover stocks, the larger corn crop more than making up for the smaller crops of other feed grains. The hay supply is a little smaller than it was in 1952 and the smallest in recent years per animal unit. Dry weather in the fall of 1952 over large areas greatly reduced feed from pastures and ranges, making it necessary to feed more hay early in the season. At the beginning of 1953 hay supplies were especially short in the South, where drought sharply reduced production.

Wheat—The 1952 wheat crop of 1,291 million bushels was the third largest in history and more than 300 million bushels larger than the 1951 harvest. The carryover stocks on July 1, 1953, may be about double the carryover on July 1, 1952. Domestic demand for wheat will probably continue at current levels. With a large Canadian crop and increased supplies from some other countries, the export demand this year will be substantially below the high level of 1952. The price of the 1953 crop will probably average near the effective loan level, which is a national average of $2.21 per bushel to wheat growers. The winter wheat planted in the fall of 1952 was sown under unfavourable conditions. The most recent estimate of this crop is 611 million bushels, or 24 per cent below average. If favourable growing conditions develop before harvest, the production could be greater.

Cotton and Cottonseed—The cotton crop—now estimated at 15,038,000 bales—is nearly the same as in 1951 and considerably larger than the 10-year average of 11,775,000 bales. Based on past ratios of lint to seed, cottonseed production is expected to be 6·1 million tons, compared with 6·3 million tons in 1951.

Other Crops—Record crops of rice and oranges were produced in 1952 and second largest records were made by soybeans, sugar cane, hops and grapes. Crops that were larger than average included alfalfa seed and tobacco. The production of rye, buckwheat, sorghums for grain, silage and forage, dried peas, potatoes, apples and grapefruit was below average.

—U.S.D.A. Photo

Thirteen per cent fewer hogs will probably be raised on U.S. farms this spring, but pork prices will average higher than in 1952.

The long-time outlook for agriculture in the United States is most encouraging. The population is today increasing at the rate of 2½ million a year and, if prosperity continues, the domestic demand for food and fibre will grow accordingly. With a relatively stable acreage of land and fewer farm workers, the rate of agricultural production must be stepped up considerably.

Food Consumption

To maintain present food standards, it is necessary to produce about 1,600 pounds of food every year for each of the 157 million people in the United States—a total daily consumption of about 688 million pounds.

The *per capita* consumption of food has been increasing for some years and the average diet is becoming more nutritious. The *per capita* consumption of fruits, vegetables, dairy products, eggs and meat has been growing and that of cereals and potatoes declining. The better diets have made heavier demands upon agricultural resources, but these demands have been met up to the present.

If the dietary level is to remain as high as it is now, and if the rates of production of agricultural products per acre are to be maintained, it will require 577 million acres of land to look after the food and fibre needs of the estimated population of 190 million in 1975. This represents 115 million more acres than are now being used for agriculture. (It is estimated that if all the consumers in the United States in 1975 were to enjoy completely adequate diets, about 227 million, instead of 115 million, additional acres would be necessary at present rates of production per acre.)

Meeting Future Needs

It seems now that up to 45 million acres of additional land may be available to produce food and fibre for human consumption as a result of increased irrigation, land reclamation, and additional releases of land from non-food purposes, such as a considerable area now producing feed for horses and mules. This would leave a net deficit of 70 million acres. By changing the diets to include fewer livestock products, a much larger population than that expected in 1975 could be fed or, if cost were no object, additional acres could be brought into cultivation which cannot be farmed economically under present conditions of supply and demand. If, however, the average diet is to remain as at present and food sold to consumers at reasonable prices, there must be higher yields per acre, per animal and per farm worker.

It appears, therefore, that to increase production to meet future domestic requirements there must be more fertilizers, insecticides, tractors and other labour-saving machinery and equipment. Moreover, farmers must adopt improved methods of feeding and breeding farm animals, of producing crops and of conserving the soil. Agricultural research work and education must also be expanded.

—W. C. Hopper
Agricultural Counsellor for Canada

The Netherlands Sea Harvest

With the herring catch high and prices good, Dutch fishermen had a profitable 1952. But if the industry is to continue prosperous, it must find capital for new equipment.

THE HAGUE—A general air of prosperity pervades the Netherlands fishing industry. Estimated total salted herring landings for 1952 were expected to be 15 per cent higher than in 1951, when they totalled over 825 thousand barrels. Landings of other fish also exceeded the 1951 total and will probably reach about 1·3 million boxes. The continuing strong foreign demand and lower catches in some other countries pushed prices up by an average of 8 per cent. Belgium, Eastern and Western Germany, Poland and the U.S.S.R. are the most important buyers of Netherlands salted herring. The United Kingdom, Belgium and the Netherlands Antilles are the leading markets for other Netherlands sea fish. Salted herring sales to Canada and the United States went up 10 per cent in 1952 over 1951 and brought approximately $500 thousand.

Although the long-term outlook for the Netherlands fishing industry is clouded by a lack of capital for replacing and expanding equipment, the immediate prospects are good.

Rising Costs and Prices

The cost of operating the fishing fleet advanced by about 10 per cent during the year. An increase of up to 20 per cent in petroleum products was the largest single contributing factor. The price of fishing nets went up 10 per cent, following a revival in the cotton market. Wages, which are based on the value of fish landed, were increased slightly by an arbitration board following a short strike at the beginning of the fishing season.

Additional benefits to crews, such as longer holidays with pay and improved working conditions, have also increased the employer's wage bill.

Higher herring prices, however, have largely offset rising costs. The Netherlands fish price index has a base of 100, calculated on the average price for the years 1947-50. In September 1952 the price index figure for herring was 102, compared with 95 for the year 1951. The average price for salted herring at the fish auctions during the year was between 26 and 28 guilders a barrel. The government support price of 24.40 guilders per barrel was reached only during the peak summer season. When herring prices go down to the support level the fish are automatically sold to the fishmeal plants, which thus play an important part in the regulation of prices on the open market. Netherlands salted herring exporters during the year quoted at an average of 50 guilders per barrel f.o.b.

A successful postwar development has been the installation of quick freezing and cold storage plants by three separate companies. Two of the plants are at Ymuiden and the third at Scheveningen. Each plant has a capacity of approximately 800 tons a year. Originally intended to exploit the sale of fresh frozen fillets, particularly to the dollar area, these plants in recent years have turned more to quick frozen herring which are selling well in Belgium, Germany and Israel. Sales to Canada and the United States have been disappointing mainly because of the lack of good fish and the keen competition. In 1952 herring made up almost half of the fish processed by the freezing plants.

Minister's Statement on Industry

The new Fisheries Protocol drawn up at Ostend in 1950 provided for the complete liberalization of the trade in fish products within the Benelux countries from January 1, 1952. Although the protocol has not been fully implemented, the principles have remained unchanged. During the discussion between the Netherlands Minister and his Belgian colleague in February 1952, it was decided that most of the types which at that time were still subject to restrictions should be allowed free entry from March 1, 1952. The only fish still subject to restrictions on that date were fresh sea fish measuring less than 40 centimetres, shrimps, and fresh dab. The first category will be allowed free entry beginning March 1, 1954. Shrimps are to enter freely commencing March 1, 1955. Fresh dab was also liberalized on March 1, 1952, but no mutual imports were made during the period from October 1 to November 15.

Landings of Fish in Netherlands Ports

	1951		January-September, 1952	
	Metric tons	Value 1,000 guilders	Metric tons	Value 1,000 guilders
Fresh herring	41,682	9,559	18,940	4,467
Salted herring	82,566	25,341	42,936	14,851
Mackerel	10,563	2,970	9,005	2,617
Haddock	4,442	2,740	3,217	1,836
Cod	3,835	2,639	3,774	2,591
Whiting	6,912	2,088	6,500	1,822
Plaice	20,795	5,573	10,368	4,215
Sole	11,975	6,932	3,333	5,197
Dab	2,221	616	1,522	454
Oysters	1,287	3,667	590	1,780
Shrimps	4,574	3,425	2,990	1,896
Mussels	42,320	4,044	27,643	2,723
Eels	3,662	7,113	3,791	7,269
Other inland fish	2,113	1,599	1,265	987
Undersized fish	11,663	976		
Shrimps for drying	8,503	419	16,926	966

Prospects for trade with Eastern European countries are generally good. This trade is confined mainly to salted herring, fresh herring and processed fish and most of the transactions are on a barter basis.

As for shrimps, the Minister believes that as soon as France has abolished the temporary restrictions on shrimp imports, sales to that country will increase. Exports to Belgium will continue to be subject to quota restrictions for some time.

Imports of fresh sea fish from Belgium, Germany, the United Kingdom, Norway, Denmark and Sweden are in most cases sufficient for periods when the Netherlands fishing catch is not large.

Generally speaking, export prospects for Netherlands fish are satisfactory. The German market is, however, somewhat uncertain because of the well-equipped German fishing fleet which has been able to supply a considerable percentage of domestic requirements during the last few years.

The lack of capital for the expansion and modernizing of the Netherlands fishing fleet worries the industry. High cost of replacements, plus increased operating costs and heavy taxes, limits its possibilities of expansion based on its own resources. Although government assistance is offered in several forms, the fishing industry as a whole is inclined to be independent and views with suspicion any attempts to improve the fleet which originate outside the industry itself.

Forecast for 1953

The Netherlands fishing industry is optimistic about the 1953 prospects. The year just concluded has been a prosperous one, with generally high prices. Costs of operation are increasing but there is every indication that the demand for Netherlands fish products will continue. There were no surpluses of fish on hand at the year's end and many advance orders to be supplied from the 1953 catch had already been booked.

Fish from Canada

Canadian fresh and frozen eels, which before the war came in fairly regularly, again appeared during 1951—some 21 tons in all valued at 28 thousand guilders. Six tons of fresh or frozen salmon, valued at 26 thousand guilders, were imported into the Netherlands during the period January to September 1952.

Arrivals of canned salmon decreased from 372 tons with a value of 963 thousand guilders in 1950 to 186 tons and 553 thousand guilders in 1951. Because canned salmon has to be purchased with "free dollars", the retail price in the Netherlands is too high for most of the public to pay. Imports of canned salmon during the first nine months of 1952 weighed 109 tons and had a value of 329 thousand guilders.

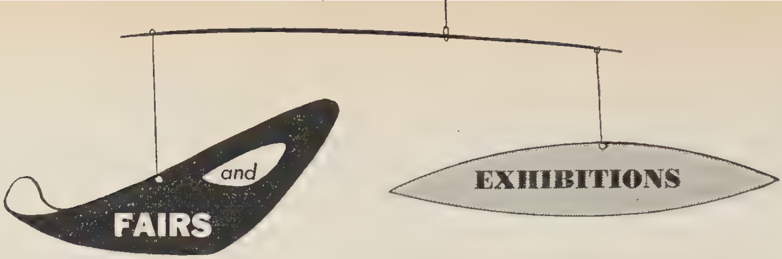
Purchases of Canadian canned lobster and crab amounted to two tons valued at 28 thousand guilders in 1951. There were no imports of this commodity during the period January-September 1952.

Shipments of fish oils from Canada rose from 376 tons valued at 258 thousand guilders in 1950 to 901 tons and 1,401,000 guilders in 1951. The respective figures for the first three quarters of 1952 were 2,026 tons and 1,703,000 guilders.

Netherlands shipments of salted herring, which amounted to 324 tons valued at 409 thousand guilders in 1950, rose to 427 tons and 571 thousand guilders in 1951. Exports of this product from January-September 1952 totalled 301 tons and 414 thousand guilders. It is expected, however, that the figures for the whole of 1952 will be higher than those for 1951.

—W. G. Pybus
Assistant Canadian Government Trade Commissioner

68429—2



100 Years of Railroading

One hundred years old on April 16, the Indian Railways will commemorate the event by holding an International Exhibition in New Delhi from February 28 to April 17. The progress of the railways from the 21-mile line opened in 1853 to today's vast system of 34,000 miles will be the main theme of the Exhibition.

For manufacturers the following categories will be included in the show: railway rolling stock and components; electric traction, sub-station and switch-gear equipment; lighting equipment; ventilation and pumping plant; permanent way materials and equipment specially designed for construction and repair work; retarders and shunting yard equipment, bridge girders and heavy structural members; signal, interlocking and cable equipment; machine tools; welding equipment and practices; oils and greases; paint, cement.

Exhibits may be in the form of maps, charts, photographs and films; engineering materials, raw or processed; structure and machinery; working or still or sectional models of machinery and structures, and rolling stock.

Medical Supplies

Many of the foremost medical manufacturers and suppliers in Great Britain will show their products at the Liverpool Medical Exhibition, May 18 to 22, in St. George's Hall. Visitors from Canada will be welcomed by the organizers, the British and Colonial Druggist Limited, 194-200, Bishopsgate, London, E.C.2.

Open to members of the profession only, the Exhibition's displays will include ethical medical preparations, surgical instruments, hospital equipment, and other products and equipment demonstrating the latest developments in every field of medical practice. Films of particular professional interest will be shown each day.

U.S. National Motor Boat Show

International would have been a better title for the show which this year included three Canadian exhibitors and a number from the Netherlands and Britain. Sponsored by the National Association of Engine and Boat Manufacturers, this year's show—the 43rd—was held in New York's Grand Central Palace from January 9-17. It included everything nautical from "build-it-yourself" boat kits to a 55-foot steel luxury flying-bridge cruiser built in the Netherlands,

and various types of cruisers, inboard runabouts, utility craft, sailboats, heavy and light diesel and gasoline engines, outboard motors, marine hardware, boating accessories and boat plans.

Canada was represented by The Industrial Shipping Company, Ltd., Mahone Bay, Nova Scotia; Shepherd Boats, Niagara-on-the-Lake, Ontario; and Grew Boats, Ltd., Penetanguishene, Ontario. The Canadians considered their participation very successful, and one exhibitor sold his 1953 production during the show.

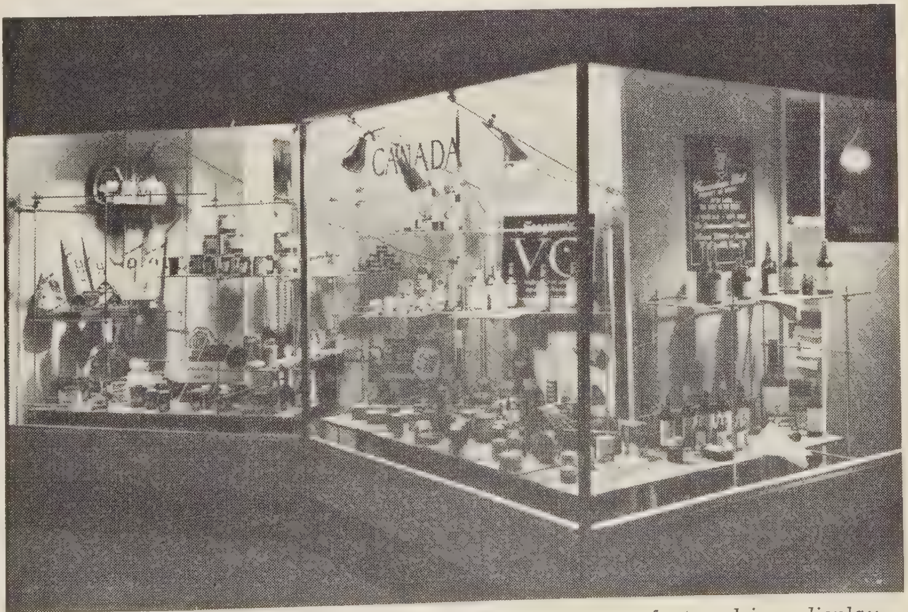
For Householder and Home

Dedicated to three of the basic essentials of daily living—food, clothing and shelter—the Second International Home & Household Exhibition is being organized in Sweden by the Gothenburg Union of Merchants. It will be held in the Exhibition Halls, Gothenburg, March 28-April 16.

All articles and utility goods used and consumed in the home and by catering establishments will be shown. The Exhibition will also include the various types of equipment employed by the retail trade for the distribution of such articles and goods.

The South Tastes Canadian Food

Canadian fine foods were first publicly introduced in the Southern States last fall. Featured in a window display at the office of the Consul of Canada and Trade Commissioner at 201 International Trade Mart, New Orleans, these foods represented the products of some sixteen Canadian firms and included canned meats, canned fish, maple products, jams and other food specialties, and dairy products. The



This exhibit of fine Canadian foods and beverages was featured in a display window at the International Trade Mart, New Orleans, recently.

68429—2½

numerous visitors to the Trade Mart commented favourably on the display and a number of inquiries, mostly from retailers and would-be consumers, were received.

The show had good publicity. Articles on it appeared in *The Food Digest, Food Packer, The Food Processing Review,* and *The Food Industries,* magazines with a total circulation of 50 thousand copies to food distributors or packers. A 15-minute interview with the New Orleans office was broadcast on one of the local radio stations and heard as far afield as Dallas, Texas, and Atlanta, Georgia. The Canadian Trade Commissioner gave a Tasting Party just before Thanksgiving when chain store buyers, wholesalers, food brokers, hotel keepers, leading restaurateurs, and representatives from the newspapers were invited to try fine Canadian foods. In addition, a list of selected food brokers in each major distributing centre in the eleven states served by the New Orleans office received a direct mail piece.

Some tangible and immediate trade results have appeared:

- Canadian maple syrup has been introduced for the first time in a New Orleans grocery store.

- A New Orleans food broker is now in touch with a number of Canadian suppliers.

- Inquiries have been received from firms in Houston, Texas, and Charleston, North Carolina.

- Three brokers in Florida and two in Louisiana have become interested in Canadian maple products.

Export Permit Regulations

THE Export Permit Division is distributing revised forms of application for export permits. The recent amendments to the import and export regulations require the use of the revised form and from the 15th of February, 1953, all applications should be made on the new forms. It is important that the applicant fill in all details required. Incomplete applications cannot be accepted.

Group 5—Schedule 2:

This group, consisting of iron and steel and machinery, has been revised under Order in Council P.C. 1953-17, January 7, 1953.

General Permit No. Ex. 1:

This permit has been revised under general notice in the *Canada Gazette Extra* dated January 13, 1953. Copies are available at Customs Offices and from the Export and Import Permit Division, Department of Trade and Commerce, Ottawa. Certain additional countries have been excluded from the scope of the permit, some items have been added, and some confined to Canadian manufacture only.

Business in Southern California

The year 1952 saw Los Angeles and the surrounding districts booming, the result of near-record crops, large defence orders, and a heavy construction program.

LOS ANGELES—The year 1952 saw business activity in Southern California achieve a record. Percentage gains in population, employment, income and retail sales exceeded the national average. A large backlog of defence orders, especially for aircraft, provided the major stimulus.

- Population of Los Angeles County increased by 180 thousand during the year, to a total of 4·5 million. Population of the 14 southernmost counties of California is today estimated at seven million.

- Total employment in the Los Angeles area reached 2,011,000—a gain of 4·5 per cent over 1951. Unemployment was down by 11 per cent. The number of persons employed in factories almost equalled that at the peak of World War II. Since the beginning of the Korean war, plant workers have increased by 52 per cent. The aircraft industry alone reported 159,300 employees at the end of 1952—a gain of 29,700 over 1951.

- Total income from all sources for residents of Los Angeles went up by 11 per cent over 1951. Factory payrolls in the Los Angeles metropolitan area totalled between $2·4 and $2·5 billion, a gain of 20 per cent over 1951. This figure is far above the payroll totals during World War II. Weekly earnings of production workers averaged $77.70, or 7 per cent more than in the previous year.

- Retail sales climbed to a new high for the third successive year. Total for Los Angeles County (now the third largest retail market in the U.S.) showed an increase of 9 per cent over 1951.

- The cost of living moved up in 1952—2·8 per cent above the 1951 average. In mid-December, the latest date for which figures are available, living costs for moderate income families in the Los Angeles area were 1·2 per cent higher than a year earlier.

Today Los Angeles County ranks first in the country in four widely separated fields—agricultural production, aircraft production, the making of motion pictures, and the production of oil field equipment. Other important industries include tires and tubes, automobile assembly, apparel manufacturing, food processing, and petroleum refining.

Southland farmers should have the largest income in history for the 1952 season, as a result of record and near-record agricultural production. Net farm income may be slightly lower than in 1951, but the record gross should help to offset net income losses because of price declines and heavy marketing.

Throughout the state, cash receipts for farm products sold from January to October of last year totalled $2¼ billion, an increase of 6 per cent over 1951 and 22·2 per cent over the same period in 1950. Despite heavy inroads on local agricultural acreage made by the rapidly expanding metropolitan district, Los Angeles County farm income will equal or nearly equal last year's record of $107·5 million.

A breakdown of the year's farm activity according to crops showed:

- *Fruit and Nuts*—Record avocado crop and second largest walnut crop in history. Lemon production topped last year's figures but the orange crop was somewhat lower than in 1951. Export sales returned $10 million to California citrus growers, highest dollar return on record.

- *Truck crops*—State income was $366,457,000, a drop of only 3 per cent from last year's record.

- *Field crops*—Record state harvest of 1,825,000 bales of cotton expected.

- *Livestock*—Heaviest marketing in recent years forced prices down as much as 25 per cent during the latter part of 1952. Current prices are holding steady.

The Building Boom

One good indication of the boom in business here is the large volume of building—greater than in any previous year, with the exception of 1950. Building permits issued in Southern California totalled 14 per cent more than in 1951; building permits plus engineering construction contracts showed a combined increase of 11 per cent and totalled $1·6 billion. In Los Angeles County, building permits and engineering construction contracts slightly exceeded $1 billion, or 12½ per cent more than in the preceding year.

Some 78,770 family dwelling units were included in building permits issued in Los Angeles County last year. This was 27 per cent more than in 1951 but 18 per cent below the 1950 record.

The Port

An integral part of the economic development of Los Angeles and Southern California is the Port of Los Angeles, covering 7,020 acres and representing an investment of $86 million. In the short span of 50 years, Los Angeles harbour has emerged from the mudflats to become the leading port on the Pacific Coast. Three of its installations alone are capable of moving 22 thousand tons of cargo every 24 hours.

The earliest commerce of the port was with the Spanish Missions and consisted chiefly of exporting hides and tallow and importing sugar, cloth and household goods. Among the leading exports from this area today are 125 tons of borax, 90 per cent of all the borax used in the world; 110 thousand tons of steel pipe, shipped to 33 different countries, and large quantities of cotton, petroleum, asphalt, citrus fruits, etc.

One of the leading imports into this area is newsprint from Canada. In 1951, the latest year for which figures are available, 105,000 tons of newsprint were imported, valued at over $10 million.

—V. E. Duclos
Canadian Government Trade Commissioner

—Panagra Photo

A sailboat ferry carries passengers across Bolivia's famed Lake Titicaca.

Bolivia in 1952

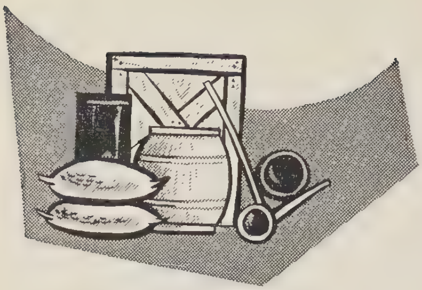
LIMA—Bolivia has a one-crop economy based on the mining and export of tin. Practically all the manufactured goods required and even basic foodstuffs must be imported. The Bolivian economy in 1952 was severely strained. In April, in a successful revolution the M.N.R. (Movimiento Nacional Revolucionario) took over the Government. A period of uncertainty followed, first because of the natural disorganization and dislocation caused by the revolution. Later the nationalization on October 31 of the Patiño, Hochschild and Aramayo mining groups caused a breakdown in tin sales. The mines of the "Big Three" produce 80 per cent of the country's tin which, in turn, is exported and supplies the bulk of the foreign exchange needed to pay for imports.

By the end of the year the Bolivian Government had not yet been able to make any major contracts for the sale of tin ore which, because of its complexity, must be smelted outside the country. The supply of foreign exchange was even lower than it had been earlier in the year. The free market rate of the boliviano was about Bs.400=$1 U.S., whereas the official free rate was Bs.250=$1 U.S. Trade was at a standstill and import licences were granted only for things urgently needed.

Despite these adverse conditions, Canadian exports to Bolivia doubled during the year, jumping from $3·4 million in 1951 to $6·3 million in the first 11 months of 1952. The principal export was wheat. Imports to Canada from Bolivia increased from $1·8 million in 1951 to $2·8 million in the first 10 months of 1952. The principal commodity imported was ores of minerals.

The restrictive conditions described above are likely to continue for some time. Canadian exporters are cautioned against making shipments to Bolivia unless the importer has a valid import licence and then only against payment by an irrevocable letter of credit or other secured basis.

—Harry J. Horne
Acting Commercial Secretary for Canada



COMMODITY NOTES

BRAZIL

Superphosphates—Some 75 thousand tons of superphosphates will be produced annually in factories located in Rio Grande do Sul and São Paulo, according to an announcement by Jean de Cornec, president of the "Comptoir des Phosphates de l'Afrique du Nord" and "Compagnie Nord Africaine de l'Hyperphosphate Reno". These two factories, built at a cost of Cr.$20 million each, are the first of their kind in South America—São Paulo, January 19.

Tobacco, Sugar Cane—The Statistical Service of the Ministry of Agriculture estimates the sugar cane crop for 1952 at 35,798,429 tons valued at Cr.$3,890,517,000, an increase of 3,111,245 tons over 1951. The Ministry estimates the 1952 tobacco crop at 107,703 tons, valued at Cr.$727,367,000—São Paulo, January 20.

BRITISH GUIANA

Sugar—Sugar production for 1952 totalled 242,685 tons, an all-time record. It exceeded the 1951 record total by more than 25 thousand tons. The increased production is largely due to incentive bonuses paid to the sugar workers—Port of Spain, January 19.

ITALY

Motor Tractors—Estimated total production of motor tractors in Italy for 1952 is 12 thousand units, of which several thousand were equipped with 20-45 h.p. diesel engines, a type not previously manufactured in this country—Rome, January 31.

JAMAICA

Canned Milk—Production of condensed milk in Jamaica in 1952 was about 340 thousand cases, compared with 292 thousand in 1951. This quantity, however, was insufficient to meet local needs and 45 thousand cases were imported during the year, compared with 25 thousand cases in 1951. Unless there is a severe drought during 1953, supplies of fresh milk are expected to be adequate for processing all of the island's requirements.

Evaporated milk is now being processed in Jamaica and, provided that fresh milk supplies are sufficient, some 20 thousand cases will be produced in 1953. This would be enough to meet present annual domestic requirements.

If dairy farmers in Jamaica continue to increase their milk production at the present rate, it is expected that by 1955 the island will not only be self-sufficient in condensed and evaporated milk but will have a surplus for export—Kingston, January 23.

SCOTLAND

Glass Tubing—The new glass tubing plant inaugurated in Glasgow last January is to be closed down and production transferred to the parent firm's factory near Birmingham. This step has been necessitated by a drop in the demand for fluorescent tubes from abroad, largely from Australia. The Glasgow plant, which cost £250 thousand, was designed for a production of 15 million tubes a year. It was intended to make Great Britain self-sufficient in this type of tube and leave a big margin for export. The only similar plant is in the United States—London, January 30.

UNITED STATES

New England Apples—New England's 1952 apple crop amounted to 4,116,000 bushels, approximately 52 per cent below the 1951 harvested production of 8,501,000 bushels. It was also 37 per cent below the 1942-1950 average of 6,487,000 bushels. The high prices received encouraged growers to harvest all the crop. Losses from abandonment, which amounted to five per cent in 1951, were negligible. The McIntosh variety made up 47 per cent of the 1952 crop as compared with 59 per cent in 1951. Baldwins comprised 19 per cent of the current crop as against 12 per cent in 1951. At 1,943,000 bushels, McIntosh production was 61 per cent below 1951 and the Baldwin production of 762 thousand bushels was down 22 per cent. All other varieties showed drops in production from 1951 levels, ranging from 32 per cent for Cortlands to 69 per cent for Rhode Island Greenings—Boston, January 30.

WEST GERMANY

Mineral Oil—Imports of mineral oil products into West Germany during the first nine months of 1952 totalled 507 thousand tons as compared with 391 thousand tons for the same period in 1951. The increase is mainly the result of higher imports of gas oil. The oil industry reports that exports of finished products for the same period increased from 135 thousand tons in 1951 to 376 thousand tons in 1952. Total exports of refined oil products in 1951 amounted to only 263 thousand tons. Consumption of mineral oil in Western Germany, which approximated 4·13 million tons for the first three quarters of 1952, increased by 18 per cent as compared with 1951—Bonn, January 15.

Italy

The Cotton Industry Reviewed

Recently the Italian Cotton Institute issued a review of the industry's progress during 1951. This article summarizes the significant findings for textile importers and the trade generally.

ROME—From 1945 until well into 1951, Italy's cotton industry increased both its spinning and weaving equipment every year. However, in 1951, though the number of spindles (both for spinning and for twisting) increased, the number of looms decreased. This was mainly because some firms with weaving sections switched over to other branches of the textile industry. In any event, expansion of production in the cotton industry has now come to a standstill. The number of looms also declined in 1951 but the number of automatic looms rose from 34·1 to 35·2 per cent of the total. The spindles, looms and twisting frames installed in Italy at the end of 1951 and 1950 are shown in the table below:

Installed at:

Machinery	31-12-1951 No.	31-12-1951 %	31-12-1950 No.	31-12-1950 %	Variations or —
Spindles	5,782,506	100	5,658,994	100	123,512
Ring type	5,669,438	98	5,538,820	97·9	130,618
self-acting	76,258	1·3	83,878	1·5	— 7,620
1 & 2 rollers (wool type)	36,810	0·7	36,296	0·6	514
Looms	140,575	100	142,068	100	— 1,493
Automatic	49,405	35·2	48,451	34·1	954
Semi-automatic	38,706	27·5	40,957	28·8	— 2,251
Ordinary	52,064	37	52,211	36·8	— 147
Hand	400	0·3	449	0·3	— 49
Twisting frames	1,369,802	...	1,306,810	...	62,992

In spinning, a number of self-acting mills were eliminated and there was a far larger increase in the number of ring spindles than in 1950 (130,618 units as against 63,770).

On December 31, 1951, some 894 firms were in operation, with 1,116 factories divided as follows:

62 (80 factories) engaged in spinning only
91 (241 ") performing complete cycle (spinning-weaving)
713 (762 ") engaged in weaving only
12 (17 ") engaged in twisting only
16 (16 ") manufacturing sewing cotton

The drop from 901 firms in 1950 arose from the fact that, though the number of spinning firms increased by three, complete cycle firms by five, twisting firms by one and sewing cotton firms by one, there were 17 fewer firms engaged in weaving only. On the other hand, the total number of factories increased by 14. Geographically, the cotton spinning industry is located in the north of Italy, largely in Lombardy (52·1 per cent) and Piedmont (25·3 per cent).

An average of 5,213,614 spindles operated through 1951, equivalent to 91 per cent of the total number installed. This was a fractional reduction from 91·1 per cent in 1950. The total of spindle-hours worked in 1951 was 19,585 million, an increase of 9·2 per cent over the previous year. In consequence, the average spindle-hours for each machine operating rose also—from 291½ to 313 hours a month. These spinning mills produced 231,028 tons, an increase of 6·8 per cent over 1950. This reflects also an increase in yield per unit because the output from each spindle installed rose from 38·45 to 40·21 kg., and for each operating spindle from 42·21 to 44·31 kg. The yield per unit of machinery showed, as is customary, a considerable difference between the two branches of the spinning industry. The following yearly averages were recorded:

Yield	Firms Spinning only (kilograms)	Firms Spinning and Weaving (kilograms)
Per spindle installed	37·18	42·03
Per spindle operating..........	41·81	45·63

The yield per spindle-hour went down to 11·8 grams in 1951 from 12·1 in 1950.

Compared with 1950, the percentage of staple yarns (pure and mixed with cotton) rose from 12·6 to 14·4 per cent of the total output; that of pure cotton yarns fell from 84·6 to 84·2 per cent. The highest output of staple yarns was obtained during the first months of 1951 when they accounted for 16·3 per cent of the output for the first quarter. At the end of the first seven months, these yarns still represented 15·3 per cent of the total but during the rest of the year there was a slight but steady decline. The composition of the pure cotton yarns produced in 1951 was about the same as in 1950. The percentage of Upper Egyptian yarns used increased slightly; all other types (Egyptian long staple, American and Indian) dropped slightly.

Output of combed yarns rose from 11·2 to 11·5 per cent of the total. Supplies of cotton bales throughout the year were unsatisfactory, down 9·7 per cent from the previous year despite the brisker pace in the spinning sector of the industry. Only 2,491 tons of national cotton entered the spinning mills as compared with 3,257 tons in 1950.

Stocks

The supply of cotton in bales failed to cover spinning mills' requirements. In fact, the quantity of cotton processed amounted to 215,040 tons, an increase of 5·4 per cent over 1950. The total consumption of raw materials, including fibres other than cotton, rose 5·5 per cent in 1951—to 266,055 tons.

An examination of the figures on the consumption of raw materials from 1934 on discloses that the per cent participation of cotton in bales in the total mass of fibres processed was, in 1951, the lowest since the end of the war; that of staple was the highest. This shows that in the postwar years the increased consumption of cotton by the spinning mills has not followed the rate of increase in production. The converse is true for staple.

The inability of cotton supplies to meet spinning mill requirements naturally affected stocks. As arrivals began to be scarce from July on, these stocks began to be drawn upon. Between the total stock of cotton in bales at December 31, 1951, (45,198 tons) and that recorded at the end of the previous year (64,681 tons) the difference was 30 per cent. Nevertheless, the quantity of cotton available in spinning mills throughout 1951

was, on the average, larger than in 1950. Based on the monthly average stocks, 13 kg. of cotton in bales per operating spindle were available in 1951 as against 12 kg. in 1950. Staple stocks rose from 4,772 tons at the end of 1950 to 6,197 tons at the end of 1951. The average monthly stock in hand was 28,672 tons.

The Italian Cotton Institute comments that, though inventories as a whole did not suffer any appreciable changes in 1951, the stock composition changed considerably. Cotton yarns in store at the end of the year amounted to 18,731 tons, a drop of 1,865 tons as compared with January 1. However, stocks of staple almost doubled, rising from 3,447 tons in January to 6,017 tons in December. Inventories of waste yarns and other fibres also increased.

Output of Materials

An average of 123,185 looms, a reduction of 1,499, operated in 1951. The ratio of active looms to looms installed (87 per cent) was also lower than in 1950 (87·9). Loom-hours totalled 336·1 million, a shrinkage of 3·1 million during the year. However, the monthly average of hours worked by each loom (operating) increased to 227½ hours, as compared with 227 in 1950.

Output of the weaving mills was markedly higher in 1951—168,142 tons of material, an advance of 7 per cent over 1950. Since the increase in activity coincided with a drop in the number of looms installed and operating, the increase in the yield per unit was obviously marked. The average yearly output per *loom installed* thus rose from 1,108·7 to 1,188·17 kg., and that per *operating loom* from 1,261·4 to 1,364·96 kg.

Production of cotton piece goods totalled 1,022·9 million square metres, an increase from 990 million in 1950. The average weight of all material was 164·4 grams per square metre, for unbleached cotton, 150·6 grams, and for material coloured in the thread, 203·5 grams. This is an increase from 158·8 grams for the total production, 145·5 grams for unbleached cotton and 199·6 grams for material coloured in the thread.

The production of unbleached materials accounted for 80·8 per cent of pure cotton piece goods, 12·8 per cent of artificial fibre fabrics (staple and rayon) and 6·4 per cent for fabrics of other or mixed fibres. The percentages for fabrics made of dyed thread were 60·2, 34·7 and 5·1.

Noteworthy Increase

A noteworthy increase of 15·7 per cent over 1950 took place in the quantity of yarns used for weaving. This was especially marked in the consumption of cotton waste yarns, which amounted to 96·6 per cent. Increase in cotton yarns was 12·7 per cent and that for artificial fibres 16·8 per cent. Piece goods stocks in factory warehouses showed a considerable increase and global stocks, which totalled 31,642 tons at the beginning of the year, increased to 46,130 tons at the end of December 1951. The average monthly inventory increased to 42,193 tons in 1951, as compared with 34,137 tons at the end of 1950.

—Shirley G. MacDonald
Commercial Counsellor for Canada

GENERAL NOTES

AUSTRALIA

Unfavourable Trade Balance—Australia had an unfavourable trade balance of £16,961,000 with the dollar area for the five months ended November 30, 1952—£10,213,000 higher than for the same period in 1951. This larger deficit was caused by the drop in export earnings from the dollar area in 1952. Part of the decrease in export earnings resulted from the sharp fall in the price of wool—Sydney, January 15.

BRITISH GUIANA

Economic Survey—The International Bank has sent a general economic survey mission to British Guiana to undertake a study of the country's economic potentialities. It will make recommendations designed to help the Government formulate and carry out a long-term development program. Organized at the request of the Governor of British Guiana, the mission is headed by Mr. E. Harrison Clark of the International Bank's Department of Operations for the Western Hemisphere. It includes, in addition to other members of the bank staff, a consultant on water resources, transportation, and agriculture.

EASTERN CARIBBEAN

Coffee Production Planned—St. Vincent urgently needs increased agricultural production to keep pace with the growing population, and tree crops, chiefly coffee and cacao, may be introduced into uncultivated areas. A recent survey has established that climate and soil conditions are favourable to the production of an exclusive high-grade Arabica coffee which would command a good price in the world market—Port of Spain, January 19.

IRELAND

Moss Research—The Institute for Industrial Research and Standards of the Republic of Ireland is examining the possibility of cleaning and sorting carrageen moss by machinery to improve its general standard. The Institute has begun work on a process for the commercial manufacture of a dried extract of carrageen. It is also conducting experiments to produce sufficient glycerine to meet the country's requirements, and is considering the possibility of obtaining sulphur from seaweed—Dublin, January 24.

JAPAN

Greater Tourist Trade Expected—The Japan Tourist Bureau looks for an increase in the number of tourists visiting Japan in 1953. The final figure for 1952 is expected to total 63 thousand; the forecast for 1953 is 78 thousand—Tokyo, January 20.

Trade Fairs—The Japanese Government has made plans to participate in five International Trade Fairs in the fiscal year 1953-54. The list includes the Canadian International Trade Fair in Toronto and fairs at Seattle, New Delhi, Karachi, and São Paulo. Japan will also sponsor sample fairs at Mexico City and Cairo—Tokyo, January 20.

MEXICO

Gold and Dollar Reserves—Gold and dollar reserves of the Bank of Mexico increased by $131 million in the second half of 1952. They amounted to $261·5 million on December 8 and to $263·8 million on January 7, 1953. Foreign trade statistics showed an excess of imports over exports of 1,664·5 million pesos (approximately $195·8 million) during the first ten months of 1952, but the deficit at the end of the year apparently was covered adequately by tourist expenditures which, according to the National Tourist Board, reached a record 2,157 million pesos (about $254 million)—Mexico, D.F., January 30.

SOUTH AFRICA

Trade Deficit Reduced—South Africa's deficit in international balance of payments during the first nine months of 1952 was £68 million, £23 million less than the deficit in the similar period of last year. Imports during 1952 declined from £116 million in the first quarter to £114 million in the second quarter, and to £93 million in the third quarter, giving a nine-month total of £323 million, or £31 million less than the total of the similar period of 1951. Exports, which in the first quarter totalled £74 million, in the second quarter £65 million and in the third quarter £63 million, also declined. But the total of £201 million was only about one per cent less than in the same period of the previous year. The deficit of £122 million on trading account was reduced by gold production to a net figure of £91 million—Cape Town, January 27.

UNITED KINGDOM

Retail Expenditures—The official 1950 census of distribution shows that there were 531 thousand retail establishments in the United Kingdom with a total turnover of £4,923 million. Of total takings, food stores accounted for 42 per cent (£2,088 million); clothing stores, apart from department stores, 18 per cent (£885 million); confectioners, tobacconists and news agents, 9 per cent (£455 million); furniture stores, 5 per cent (£259 million); and hardware stores 4 per cent (£218 million).

Single-shop retailers did 48 per cent of the total trade, co-operative societies 12 per cent, and multiples with ten or more establishments, 23 per cent—London, January 28.

Belgium

Restrictions Relaxed on Dollar Imports

BRUSSELS—On February 1, 1953, Belgium relaxed significantly the restrictions which had applied to many imports from the dollar area. Belgium instituted these restrictions on dollar goods in September 1951, because of its trade surplus with other European countries. By importing more from them at the expense of imports from the dollar area, it hoped to reduce this surplus. Before that time, only a small proportion of imports into Belgium from all countries had been subject to import licences. All other goods could be imported on the basis of an unofficial bank declaration.

On September 10, 1951, most hitherto unrestricted imports from the dollar area were made subject to government control. A few exemptions were listed in a dollar free list, which has, at different times, been limited even further. Imports from non-dollar countries were not affected.

These restrictions were not in accordance with Belgium's obligations under the General Agreement on Tariffs and Trade, of which Canada and Belgium are signatories. At GATT sessions held in 1951 and 1952, Canada protested the restrictions. At the seventh session held at Geneva in October 1952, Belgium undertook to remove these restrictions. The present relaxation of controls is thus the first step under the new Belgian policy of freeing its trade with the dollar area. It consists of the following measures:

Specific Measures Taken

The list of goods which may be imported from the dollar area on the basis of bank declarations free of government control was greatly enlarged. Among the new items the following may be of interest to Canadian exporters:

Oats; barley; canned lobster; cereal flours except wheat and rye flour; preserved tomatoes; canned vegetables, soups, sauces and condiments; canned fruit juices; meat meal; fish meal.

Natural abrasives; zinc ore; metalliferous cinders and residues; sensitized unexposed moving picture films; artificial iron oxide, lead oxide and certain other pigments; superphosphates and certain other manufactured fertilizers; various chemicals.

Chamois-dressed leather; rubber transmission belts, pipes and tubes; soles and heels for boots and shoes; logs, planks and boards of hardwood; railway sleepers; wood for handles and staves; veneering sheets; plywood; beading of wood; wooden packing cases; cigarette paper.

Certain fabrics of artificial silk; wool in the mass; certain yarns and fabrics of wool and cotton; fishing nets; elastic fabrics and ribbons; bags and sacks for packing of cotton.

Manufactures of artificial abrasives; manufactures of asbestos; unworked optical glass; certain manufactures of silver; certain bars and sheets of iron and steel; iron and steel wire; barbed wire; chains; wood and coach screws; needles, including knitting machine needles; pins;

locks; axes; scythes and sickles; files and rasps; certain knives, including machine knives; copper foil, unworked pieces, tanks and uninsulated cables; aluminum bars, wire, unworked pieces, tanks and insulated cables; rolled or drawn lead, lead tubes, pipes and unworked pieces; rolled or drawn zinc and unworked pieces of zinc; unworked magnesium, cobalt and similar metals.

Certain steam boilers and engines; explosion and internal combustion engines other than for motor vehicles; pumps for liquids; compressed air apparatus and spraying appliances; calendering machines; centrifugal machinery; hydraulic and other presses.

Harvesting machines, including reaper-threshers and certain other agricultural machines; flour milling machines.

Heating apparatus, not electric; machine tools and various industrial machines; office machines other than typewriters, calculating and accounting machines or cash registers; dynamos, electric motors and converters; storage batteries and their plates; sparkplugs; radios and television apparatus; carbons for electro-technical use; insulating tubes; locomotives and railway carriages; tractors.

Cinematograph apparatus; medical and surgical instruments; watches and watch movements; clocks for buildings and clockworks; pianos; organs; gramophones; dictaphones and transcribing machines; brooms and brushes; fountain pens, and fishing tackle.

Copies of the complete list may be obtained from the Foreign Tariffs Division, Department of Trade and Commerce, Ottawa.

Under Licence from Dollar Area

A number of goods, while remaining subject to import licences from all countries, will be admitted from the dollar area as freely as from any other source. This category includes wheat and rye; boiled linseed oil, oil cake; molasses; frozen mutton, lamb and horsemeat; bran; malt; fruits, preserved other than in alcohol, unsweetened jams, marmalades, jellies and fruit pulps; canned meat soups; raw tobacco.

Planks and boards of coniferous wood; newsprint, kraft paper and certain other kinds of paper; printed matter other than calendars; felt shapes for hats and felt hats; aluminum foil; gauze and netting of copper wire; domestic utensils of copper; anodes for nickel-plating; crude gold and platinum, manufactures of platinum; illuminating glassware; metal lamps; transformers and static converters; exposed motion picture films (other than with sound track); explosives and artificial plastic materials with a base of casein, gelatine or starch.

Subject to Quota

Finally, certain imports from the dollar area which remain subject to dollar import restrictions are being imported under a monthly quota of 100 per cent by value of average monthly imports during the first six months of 1951. Included among the goods in this group are: fruits preserved in alcohol; whisky and gin; rubber tires other than for bicycles, rubber footwear; patent leather; clothing and underwear; certain fabrics of artificial silk; cotton, belt and rubbered fabrics; made-up fur skins; washing machines, refrigerators, electric stoves; air pumps and ventilators; motor lawn mowers; safety razors and parts; copper solder; fluorescent lamps; spectacle glasses and mountings; gramophone records; photographic films; paper and chemicals; certain prepared colours and toys.

TRADE AND TARIFF REGULATIONS

GREECE

Contributions on Imports Revised—Various changes have been made in the Greek levy on imports referred to as a "contribution", by two ministerial decisions published in the Greek Government *Gazette* of November 24 and December 31, 1952. Wood pulp (other than chemical imported for the manufacture of artificial silk), raw wool and certain manufactures of wood have been made subject to the levy at the rate of 25 per cent of their c.i.f. value and artificial cotton at 50 per cent ad valorem.

The rate of the contribution on some goods, on the other hand, has been reduced. The reductions apply, among others, to the following items, with the old and new rates shown in parentheses: hardwood, feedstuffs of animal and vegetable origin, bran, sewing machines and certain pharmaceutical products (formerly 50 per cent, now 25 per cent), certain preserved meats (formerly 150 per cent, now 25 per cent), plastic spectacle frames and motorcycle parts (formerly 150 per cent, now 50 per cent), and fountain pens (formerly 150 per cent, now 100 per cent)—Athens, January 26, 1953.

See "Foreign Trade" of November 8 and December 6, 1952, for contributions in force before the present changes. Exporters may obtain information on individual items affected from the Foreign Tariffs Division, Department of Trade and Commerce, Ottawa.

ITALY

Tariff on Ferro-Chrome—Ferro-chrome with a carbon content up to 0·1 per cent and containing more than 5 per cent and up to 90 per cent of chrome (including within such limit also the possible presence of silicon) will be admitted into Italy at the reduced rate of 5 per cent ad valorem up to an annual quota of 600 metric tons, according to an Italian decree of November 24, 1952. The rate of duty on this commodity outside of the quota is 11 per cent ad valorem.

In order to benefit by this concession, shipments must be accompanied by a certificate issued by an authorized organization. The certificate shall indicate, *inter alia,* the manufacturer's name, the denomination of the product in accordance with the above specifications, and the exact carbon content. Imports are to be made exclusively through the Genoa Customs—Rome, January 21.

JAMAICA

Fish Import Regulations—Because general dollar expenditure on canned fish in 1952 was not as great as expected, the Trade Administrator agreed, on January 17, 1953, to renew imports on a free licensing basis. Licences are to be issued for a maximum period of three months on condition that buyers can produce confirmation of orders by the suppliers. This regulation provides for imports in excess of those permitted under the B.W.I. Trade Liberalization Plan.

Dried, salted, pickled and smoked fish (except salted codfish) continue to be imported on a free licensing basis. Canadian exporters are, therefore, assured of selling maximum quantities at competitive prices. The high ceiling on free licensing for imports of dried salted codfish will not restrict purchases from Canada at existing prices—Kingston, January 19.

UNITED KINGDOM

Animal Fats Returned to Private Trade—The Ministry of Food has announced that government buying of edible tallow, technical tallow, and premier jus, of which the Ministry has been the sole importer since 1939, is to end and that imports of these fats will be returned to private trade.

Imports will be subject to licence, to be obtained by the importer from the Board of Trade—London, January 24.

UNITED STATES

Duties on Canadian Blue-Vein Cheese—The United States Bureau of Customs has announced that it has been determined that a Canadian bounty is being paid on blue-vein cheese of the Roquefort type manufactured in Canada. Consequently, any imports into the United States of such cheese scoring 93 points will be subject to a countervailing duty of 1¢ lb., and imports of such cheese scoring 94 points or more will be subject to a countervailing duty of 2¢ lb. These additional duties will become effective on or about April 15—Washington, January 28.

Quota on Groundfish Fillets—The United States Bureau of Customs has announced that for the year 1953 the import quantity of fresh or frozen fillets of cod, haddock, hake, pollock, cusk and rosefish to be granted the reduced rate of $1\frac{7}{8}$¢ lb. under Tariff Paragraph 717(b), has been set at 33,866,287 pounds. This is an increase of over two million pounds over the 1952 low-rate quota.

Tariff Paragraph 717(b) provides that the aggregate quantity entitled to the $1\frac{7}{8}$¢ lb. reduced rate shall be not more than 15 per cent of the average annual consumption of such fish during the three preceding calendar years. All imports above the quota are subject to the higher rate of $2\frac{1}{2}$¢ lb.

Of the total quantity of fish (33,866,287 pounds) entitled to entry at the rate of $1\frac{7}{8}$ cents per pound during the calendar year 1953, not more than one-fourth shall be so entitled during the first three months, not more than one-half during the first six months, and not more than three-fourths during the first nine months of the year—Washington, January 21.

Tariff Commission Public Hearings—The United States Tariff Commission, under the authority of Section 7 of the Trade Agreements Extension Act of 1951 (the "Escape Clause"), has been carrying on investigations to determine whether the products described below are, as a result of concessions granted under the General Agreement

on Tariffs and Trade, being imported into the United States in such increased quantities as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

As a result of these investigations public hearings will be held on the following dates:

Screen-printed silk scarves—February 24.

Hand-blown glassware—March 2.

Cotton-carding machinery—March 9.

Rosaries—May 4.

Watch bracelets and parts thereof of metals other than gold or platinum—May 11.

The hearings will begin at 10 a.m. on the day indicated and will be held in the Hearing Room of the Tariff Commission Building, Washington.

Tariff Classification of Mustard Seeds—The U.S. Bureau of Customs have placed the following notice in the *Federal Register*, issue of February 7, 1953:

"In the matter of notice of prospective classification of mustard seeds not used for spice purposes.

"It appears probable that certain types of mustard seed are properly classifiable under paragraph 764, Tariff Act of 1930, as garden or field seeds, not specially provided for, at a rate of duty higher than that heretofore assessed under an established and uniform practice. The types of mustard seed referred to are as follows: Chinese broadleaf mustard, Chinese smoothleaf mustard, Florida broadleaf mustard, fordhook mustard, fordhook fancy mustard, southern giant curled mustard (both ordinary and long-standing varieties), oldfashioned mustard, and tendergreen mustard.

"Pursuant to Customs Regulations of 1943, notice is hereby given that the existing uniform practice of classifying such merchandise as a spice under paragraph 781, Tariff Act of 1930, is under review in the Bureau of Customs.

"Consideration will be given to any relevant data, views, or arguments pertaining to the correct classification of this merchandise which are submitted in writing to the Bureau of Customs, Washington 25, D.C. To assure consideration, such communications must be received in the Bureau not later than 30 days from the date of publication of this notice in the *Federal Register*. No hearings will be held."—Ottawa, February 10.

The present U.S. tariff on "Spices and Spice Seeds—Mustard Seeds, Whole," under paragraph 781, is ⅞ cent per lb. The tariff on garden or field seeds, not specially provided for, under paragraph 764, is 1½ cents per lb—Editor.

Foreign Trade Service Abroad

† Indicates a change since previous publication.

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina Paraguay Uruguay	C. S. Bissett, Commercial Counsellor W. B. McCullough, Agricultural Secretary	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	C. M. Croft, Commercial Counsellor for Canada	City Mutual Life Building, 60 Hunter Street, SYDNEY	*Mail:* P.O. Box 3952 G.P.O. *Cable:* CANADIAN *Tel.:* BW 9351
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada and Agricultural Secretary	83 William Street, MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	W. Gibson-Smith, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE	*Mail:* Boîte Postale 373 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 11-33-88
Brazil	C. R. Gallow, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165, RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	C. J. Van Tighem, Consul of Canada and Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
Ceylon	Paul Sykes, Canadian Government Trade Commissioner	Galle Face Hotel, COLOMBO	*Mail:* P.O. Box 1006 *Cable:* CANADIAN *Tel.:* 5876
Chile	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	W. J. Millyard, Canadian Government Trade Commissioner	Calle 19, No. 6-39, BOGOTA	*Mail:* Apartado 1618 *Airmail:* Apartado Aero 3562 *Cable:* CANADIAN *Tel.:* 12-251
Cuba	A. W. Evans, Commercial Secretary	Canadian Embassy, Edificio Motor Centre, Calle Infanta 16, HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Dominican Republic Haiti, Puerto Rico	R. E. Gravel, Canadian Government Trade Commissioner	Edificio Copello 410, Calle El Conde, CIUDAD TRUJILLO	*Mail:* Apartado 451 *Cable:* CANADIAN *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Jordan, Saudi Arabia	Acting Canadian Government Trade Commissioner	Osiris Building, Sharia Walda, Kasr-el-Doubara, CAIRO	*Mail:* P.O. Box 1770 *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	†R. G. C. Smith, Commercial Counsellor for Canada	3 rue Scribe, PARIS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor	Canadian Embassy, 22 Zitelmannstrasse, BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 38927
Germany	Wm. Van Vliet, Agricultural Secretary		

TERRITORY	OFFICER	CITY ADDRESS	MAIL AND CABLES, OFFICE TELEPHONE
Greece Israel, Turkey	H. W. Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 72-853
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner	28, 5a Avenida Sud, GUATEMALA CITY	*Mail:* P.O. Box 400 *Cable:* CANADIAN *Tel.:* 5590
Hong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	Richard Grew, Commercial Counsellor	Office of the High Commissioner for Canada, 4 Aurangzeb Road, NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
India Burma	B. I. Rankin, Commercial Secretary for Canada	Gresham Assurance House, Mint Road, BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 20672
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor	Canadian Embassy, Via Saverio Mercadante 15, ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 80-842
Italy	C. F. Wilson, Agricultural Counsellor		
Italy	M. S. Strong, Commercial Secretary (Fisheries)		
Jamaica Bahamas, British Honduras	M. B. Palmer, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858
Jamaica	E. M. Gosse, Canadian Trade Commissioner (Fisheries)		
Japan Korea	J. C. Britton, Commercial Counsellor	Canadian Embassy TOKYO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 48-4116
Lebanon Iraq, Syria	G. F. G. Hughes, Canadian Government Trade Commissioner	Centre Urbain Emir Beshir, Bâtiment A1, Rue Emir Beshir, L'Azarieh, BEIRUT	*Mail:* Boîte Postale 2300
Mexico	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D.F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 36-27-90
Netherlands	J. A. Langley, Commercial Counsellor	Canadian Embassy, Sophialaan 1-A, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
Netherlands Belgium, Denmark, Luxembourg	Acting Agricultural Secretary		
New Zealand Fiji, Western Samoa	L. S. Glass Commercial Secretary,	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Denmark, Greenland	J. L. Mutter, Commercial Secretary	Canadian Legation, Fridtjof Nansens Plass 5, OSLO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	A. P. Bissonnet, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	*Mail:* P.O. Box 531 *Cable:* CANADIAN *Tel.:* 5826

Territory	Officer	City Address	Mail and Cables, Office Telephone
Peru Bolivia	H. J. Horne, Acting Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 71950
Philippines	F. H. Palmer, Consul General of Canada and Trade Commissioner	†Ayala Building, Juan Luna Street, MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48—1°D., LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Singapore Brunei, Federation of Malaya, Indonesia, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room D-5, Union Building, SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 7739
South Africa (Natal, Transvaal) Southern Rhodesia, Northern Rhodesia, Nyasaland, Mozambique, Kenya, Tanganyika, Uganda, Zanzibar	C. B. Birkett, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar	K. F. Noble, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	E. H. Maguire, Canadian Government Trade Commissioner	70 Avenida Jose Antonio, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 21-41-13
Sweden Finland	F. W. Fraser, Commercial Counsellor	Canadian Legation, Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	Yves Lamontagne, Commercial Counsellor	Canadian Legation, Thunstrasse 95, BERNE	*Mail:* (City Address *Cable:* CANADIAN *Tel.:* 4-59-17
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	Acting Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 4787
United Kingdom (South of England, East Anglia, Scotland), Iceland, British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor R. Campbell Smith, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701
United Kingdom	D. A. B. Marshall, Commercial Secretary (Agricultural)		
United Kingdom	R. D. Roe, Commercial Secretary (Timber)		*Cable:* TIMCOM

Territory	Officer	City Address	Mail and Cables, Office Telephone
United Kingdom (Midlands, North England, Wales)	M. J. Vechsler, Canadian Government Trade Commissioner	Martins Bank Building, Water Street, Liverpool	*Mail:* (City Address) *Cable:* Canadian *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, Belfast	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	J. H. English, Commercial Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W., Washington, 6, D.C.	*Mail:* (City Address) *Cable:* Canadian †*Tel.:* DEcatur 2-1011
United States	Dr. W. C. Hopper, Agricultural Counsellor		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda	A. E. Bryan, Deputy Consul General of Canada and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., New York City	*Mail:* (City Address) *Cable:* Cantracom *Tel.:* JUdson 6-2400
United States	M. B. Bursey, Consul of Canada and Trade Commissioner (Fisheries)		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	G. S. Patterson, Consul General of Canada	Canadian Consulate General, 532 Little Building, 80 Boylston Street, Boston 16	*Mail:* (City Address) *Cable:* Canadian *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	D. S. Cole, Consul General of Canada	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, Chicago 6	*Mail:* (City Address) *Cable:* Canadian *Tel.:* STate 2-7312
United States (Michigan, Ohio)	B. C. Butler, Consul of Canada and Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, Detroit, 26	*Mail:* (City Address) *Cable:* Canadian *Tel.:* WOodward 5-2811
United States (City of Los Angeles, Southern California, Arizona)	V. E. Duclos, Canadian Government Trade Commissioner	510 West Sixth Street, Los Angeles 14	*Mail:* (City Address) *Cable:* Canadian *Tel.:* VAndike 7114
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	G. A. Newman, Consul of Canada and Trade Commissioner	Canadian Consulate, 201 International Trade Mart, New Orleans	*Mail:* (City Address) *Cable:* Canadian *Tel.:* RAymond 2136
United States (Northern California, Montana, Oregon, Idaho, Washington, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	Acting Consul General of Canada	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, San Francisco 4	*Mail:* (City Address) *Cable:* Canadian *Tel.:* SUtter 1-3039
Venezuela Netherlands Antilles	J. A. Stiles, †Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, Caracas	*Mail:* Apartado 3306 *Cable:* Canadian *Tel.:* 55818
Venezuela Colombia	†Acting Agricultural Secretary		

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalents multiply by 1·026.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Feb. 5*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1300	
		Basic buying	·1949	(1)
		Preferential selling	·1949	
		Basic selling	·1300	
		Free	·0702	
Austria	Schilling		·04563	
Australia	Pound		2·1985	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01946	
Bolivia	Boliviano	Official	·01624	tax 5% (1)
		Differential	·00970	tax 3% (2)
British West Indies	Dollar		·5725	(3)
	Pound		2·7481	(4)
	Dollar	Brit. Honduras	·6870	
Brazil	Cruzeiro		·0527	tax 8% (2)
Burma	Kyat		·2061	
Ceylon	Rupee		·2061	
Chile	Peso	Official	·03139	(1)
		Commercial	·01623	
		Free	·00886	
Colombia	Peso	Basic	·3899	tax 3% (2)
		Coffee buying	·4248	
Costa Rica	Colon	Official	·1740	(5)
		Free	·1463	*Nov. 28
Cuba	Peso		·9747	tax 2%
Czechoslovakia	Koruna		·01949	
Denmark	Krone		·1411	
Dominican Republic	Peso		·9747	
Ecuador	Sucre	Official	·06498	(6)
		Free	·05624	
Egypt	Pound		2·7989	
Fiji	Pound		2·4758	
Finland	Markka		·00424	
France	Franc		·00278	
French Africa	Franc		·00557	
French Pacific	Franc		·01531	
Germany	D Mark		·2321	
Greece	Drachma		·000065	
Guatemala	Quetzal		·9747	
Haiti	Gourde		·1949	
Honduras	Lempira		·4873	
Hong Kong	Dollar	Free	·1602	*Jan. 23
Iceland	Krona	Official	·05985	
		Special buying	·04603	
		Special selling	·03740	
India	Rupee		·2061	
Indonesia	Rupiah	Basic	·08550	
		With Surcharge I	·04275	(7)
		With Surcharge II	·02850	
		Dollar certificate	·00183	*Dec. 15

* Latest available quotation date.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Feb. 5*	*Notes (See below)*
Iran	Rial	Certificate I	·01121	*Jan. 7
		Certificate II	·01115	*Jan. 7
Iraq	Dinar		2·7481	
Ireland	Pound		2·7481	
Israel	Pound	Basic	2·7291	
		Special	1·3646	
		Investment	·9747	
Italy	Lira		·00156	
Japan	Yen		·00271	
Lebanon	Pound	Free	·2721	*
Mexico	Peso		·1127	
Netherlands	Guilder		·2565	
Netherlands Antilles	Guilder		·5168	
New Zealand	Pound		2·7481	
Nicaragua	Cordoba	Effective buying	·1477	(8)
		Official Selling	·1383	
		With Surcharge I	·1211	
		With Surcharge II	·0970	
Norway	Krone		·1365	
Pakistan	Rupee		·2946	
Panama	Balboa		·9747	
Paraguay	Guarani	Basic	·06498	(1)
		With Surcharge I	·04641	(9)
		With Surcharge II	·03249	
Peru	Sol	Certificate	·0623	
Philippines	Peso		·4873	tax 17% (2)
Portugal	Escudo		·03399	
El Salvador	Colon		·3899	
Singapore & Malaya	Straits dollar		·3206	
South Africa (Union of)	Pound		2·7481	
Spain & Dependencies	Peseta	Basic buying	·04451	
		Basic selling	·08687	(1)
		†Basic commercial selling	·05934	
		Free	·02458	
Sweden	Krona		·1884	
Switzerland	Franc		·2272	
Syria	Pound	Free	·2613	*Dec. 15
Thailand	Baht	Official	·07797	(1)
		Free	·05729	*Nov. 28
Turkey	Lira		·3481	
United Kingdom	Pound		2·7481	
United States	Dollar		·9747	
Uruguay	Peso	Official	·6417	
		Basic buying	·5476	
		Special buying	·4148	(1)
		Basic selling	·5129	
		Special selling	·3978	
Venezuela	Bolivar		·2910	(10)
Yugoslavia	Dinar		·00325	

* Latest available quotation date.

† Since the "Basic selling" rate is for State purchases only, we are now also quoting the "Basic commercial selling" rate.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective rate for all Indonesian exports to dollar area is basic rate plus 70 per cent of dollar certificate rate. Cost of imports is increased by full amount of dollar certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to all Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11.

foreign trade

FEBRUARY 21, 1953

Canada's Trade in 1952 (page 2)

foreign trade

VOL. 13 OTTAWA, FEBRUARY 21, 1953 NO. 321

OVER . . . Wheat took st place among Canada's ports in 1952, with sales road reaching a value of 521 million, a 41 per cent crease over 1951. A record rvest in 1952 helped in this hievement. For the full story Canada's commodity trade ring the past year, turn to ge 2.

—NFB Photo

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

Canada's Trade in 1952

An export balance of about $325 million, record sales of grains, imports at an all-time high with machinery leading—these were the highlights of our commodity trade last year.

OTTAWA—Canada's commodity trade with other countries in 1952 was marked by an export balance of about $325 million, in sharp contrast to the import balance of $121 million in 1951. Changes in the relative prices of exports and imports were the most important factor influencing the altered trade balance. Record sales of grains and strong foreign demand for metals and newsprint swelled the volume of exports; import volume showed a similar increase under the influence of the defence program, of heavy investment in plant and equipment, and of greater consumption.

Canada's exports in 1952 reached a value of $4,356 million, 10 per cent above the previous record established in 1951. The new record was achieved in spite of a slight decline in average prices received for exports, because the volume of these shipments went up by 11 per cent or more, according to preliminary calculations. Imports for the year totalled about $4,031 million, slightly less than in 1951, but their volume was some 12 per cent above that of 1951. A decline in import prices of about the same magnitude prevented this increase in volume from resulting in a higher value of imports.

Price Change and Export Balance

Because the volume of imports showed a similar increase to that of exports, almost the whole of the $446 million change in the trade balance was due to the change in relative prices of exports and imports. Both export and import prices averaged below those of 1951 but the decline in import prices was much greater. Many important industrial materials imported are brought in highly competitive markets at very sensitive prices. The extremely strong demand of late 1950 and early 1951 caused these prices to skyrocket, but when demand slackened in 1951 and remained soft in much of 1952, these prices collapsed. Contractual arrangements and the desire to maintain good business relations exercised an important restraining influence on fluctuations in the prices of many Canadian exports. They rose less violently than import prices and were therefore in less need of readjustment in 1952.

The effect of the change in the terms of trade (the relation between export and import prices) on the trade balance can easily be illustrated. If there had been no change in the volume of exports and imports in 1952, the change in prices from their 1951 level would have reduced the value of exports to about $3,925 million and that of imports to some $3,595

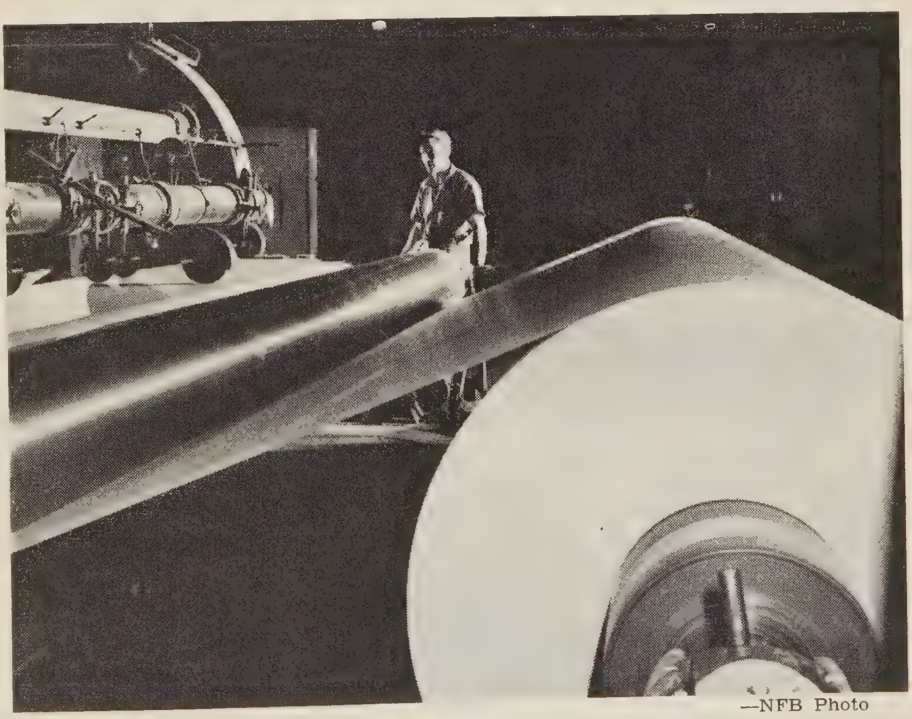
million, creating an export balance of about \$330 million. The actual balance was slightly smaller because the volume of imports increased somewhat more than the volume of exports.

During 1952 the price of the Canadian dollar averaged 7·6 per cent higher than in 1951. As the prices of most important Canadian imports and exports are largely determined in markets outside Canada, or are expressed in foreign currencies in contracts, the appreciation of the dollar had an important influence on the down-trend of international trade prices. Apart from this influence, the decline in import prices from their 1951 average was only about 5 per cent, and export prices averaged some 5 per cent higher than in the previous year. The appreciation or depreciation of the Canadian dollar can do little to influence Canada's terms of trade, however, because export and import prices tend to be almost equally affected by this factor.

The change in the commodity trade balance was the chief factor in creating an appreciable surplus on the current account of Canada's balance of payments. The year 1951 saw a deficit in current account of \$524 million which was offset by a heavy flow of foreign capital to Canada. A similar situation prevailed in 1950.

Greater Exports to Overseas Markets

Overseas markets continued to absorb a growing share of Canadian exports in 1952. The largest increases were in shipments to the United Kingdom and other European countries and grains played an especially



—NFB Photo

In 1951, newsprint ranked as our leading export, with a value of \$536 million. Newsprint exports for 1952 reached \$592 million but took second place as wheat sales, at \$621 million, led off.

68431—2

important role in these gains. Canada's crops have been exceptionally large in recent years; those in Australia, Argentina and some other important producing and consuming countries have suffered declines. As a result the grain-deficit areas of Europe have drawn more heavily than usual on Canada for supplies. Grains form a smaller proportion of exports to Latin America, the Commonwealth and other foreign countries, and are of only minor importance in total sales to the United States. Canadian exports to these areas have also increased but chiefly because of other commodities.

Imports from most overseas countries except those of Latin America declined in value in 1952. Two important factors influenced these declines. One was the sharper fall in the prices of many imports from overseas than of goods from the United States; the other was the sharper fall in imports of fibres and textiles than of most other goods. The market for textiles and some other goods in Canada in 1952 was limited by the after-effects of the buying splurge which followed the outbreak of the Korean war. Towards the end of the year, this factor became less important.

Direction of Canadian Trade

	United States	United Kingdom	Other Commonwealth and Ireland	Other Europe	Latin America	Others
Total Exports						
1950, calendar year						
Value $'000,000...	2,050·5	472·5	200·0	191·8	146·6	95·6
% of total	65·0	15·0	6·3	6·1	4·6	3·0
1951, calendar year						
Value $'000,000...	2,333·9	635·7	264·3	347·4	208·9	173·1
% of total	58·9	16·0	6·7	8·7	5·3	4·4
1952, calendar year						
Value $'000,000...	2,349·0	751·0	287·6	475·8	273·6	218·9
% of total	53·9	17·3	6·6	10·9	6·3	5·0
Total Imports						
1950, calendar year						
Value $'000,000...	2,130·5	404·2	241·6	103·1	213·5	81·3
% of total.......	67·1	12·7	7·6	3·3	6·7	2·6
1951, calendar year						
Value $'000,000...	2,812·9	421·0	306·9	177·1	273·7	93·3
% of total	68·8	10·3	7·5	4·3	6·7	2·3
1952, 11 mos. November						
Value $'000,000...	2,711·7	331·7	175·5	139·3	261·7	65·4
% of total	73·6	9·0	4·7	3·8	7·1	1·8

Imbalance of Canadian Trade

These changes in the direction of exports and imports acted to increase the bilateral imbalance of Canadian trade. From the end of World War II until the outbreak of war in Korea the wide discrepancies between exports to and imports from most individual countries were being reduced. In 1951 this process was reversed, as war and rearmament again interrupted the normal flow of peacetime trade. Though the imbalance of Canada's trade was less pronounced in 1952 than in some earlier post-war years, the change since 1950 has been marked.

Generally the same countries played a leading part in Canada's trade in 1952 as in 1951 but their relative importance changed somewhat. The United States, the United Kingdom, Belgium and Luxembourg, and Japan remained Canada's four leading export markets, although sales to Japan (chiefly of grains) increased more sharply than those to the first three countries. Exports to Germany (again chiefly grains) increased even more and that country rose from tenth to fifth place as an export market.

Brazil, India, Italy, Australia, France and the Union of South Africa were next in rank. These same eleven countries were Canada's chief export markets in 1951.

On the import side the United States, the United Kingdom and Venezuela remained Canada's chief sources of imports, according to statistics for the first eleven months of 1952. Brazil, Belgium and Luxembourg, India, and the Federation of Malaya were next in importance, with Malaya down from fourth to seventh place because of lower prices for her rubber and tin. Mexico, British Guiana, Germany and Australia ranked next, with Australia down from fifth to eleventh place due primarily to lower wool prices and sharply reduced purchases of Australian sugar. Complete statistics for 1952 are not yet available, but of the 15 countries mentioned above the trade balances with ten seem likely to be larger than in 1951. Only four balances seem likely to decrease. This illustrates the increased bilateral disequilibrium in Canada's trade.

Some Leading Commodities in Canada's Trade

Domestic Exports

Commodities	Calendar Year 1950	1951 ($'000,000)	1952
Wheat	326	441	621
Newsprint paper	486	536	592
Planks and boards	291	312	296
Wood pulp	209	365	292
Grains (except wheat)	53	129	235
Aluminum and products	107	125	162
Nickel	105	137	151
Copper and products	88	87	119
Wheat flour	94	114	116
Fish and fishery products	113	117	113
Farm implements and machinery	88	106	105
Zinc and products	59	84	97

Imports

Commodities	January-November 1950	1951 ($'000,000)	1952
Machinery (non-farm)	207	304	330
Petroleum, crude	183	213	189
Farm implements and machinery	153	183	183
Automobile parts (except engines)	145	183	174
Coal	163	157	142
Rolling mill products (iron and steel)	86	160	133
Engines and boilers	50	79	127
Electrical apparatus, n.o.p.	75	112	125
Petroleum products, n.o.p.	98	115	120
Fruits	84	87	90
Aircraft and parts (except engines)	10	36	86
Cotton products	61	83	74

Wheat Leads Exports

Changes in the value of leading exports and imports were mixed in 1952. Exports of wheat increased 41 per cent in value to reach $621 million. The number of bushels exported showed a slightly greater increase and the average grade of exports in 1952 was also higher than in 1951. Newsprint exports gained 10 per cent in value to reach $592 million—well below sales of wheat. Both commodities were in strong demand during the year but the supply of wheat increased more rapidly. The harvesting of a record wheat crop in 1952 following a large crop in 1951 facilitated the greater increase in wheat exports. It is worth noting

that wheat flour exports were also larger than in 1951 in spite of the increased sales of wheat grain. Exports of other grains, especially barley and oats, also went up considerably.

Other Leading Commodities

Sales of wood pulp and lumber suffered from contracting markets and lower prices in 1952, and their value dropped sharply. Lumber sales to the United States were affected by a lower level of housing construction and exchange problems restricted those to Europe and the Commonwealth (other than the United Kingdom). Exports of wood pulp were affected by lower activity in the synthetic textiles field, by greater competition of other materials with paper in packing and similar uses, and by some decline in total demand for packing materials. Exports of metals held up well, increasing in quantity and value, although the prices of lead and zinc fell off considerably during the year. The most serious export decline was in sales of beef cattle and beef because of restrictions imposed by the United States and some other countries following the outbreak of foot-and-mouth disease in Saskatchewan. A special arrangement with the United Kingdom and New Zealand permitted Canada to ship some beef to the United Kingdom. This eased the beef surplus in Canada, but exports of beef cattle and beef reached only $32 million in 1952 compared with $95 million in 1951.

Some Leading Countries in Canada's Trade

Domestic Exports

Country	Calendar Year 1951 ($'000,000)	1952
United States	2,298	2,307
United Kingdom	631	746
Belgium and Luxembourg	94	104
Japan	73	103
Germany, W.	37	95
Brazil	54	81
India	36	55
Italy	49	53
Australia	49	50
France	47	48
Union of South Africa	53	48

Imports

Country	January-November 1951 ($'000,000)	1952
United States	2,610	2,712
United Kingdom	402	332
Venezuela	126	124
Brazil	37	33
Belgium and Luxembourg	37	32
India	39	26
Federation of Malaya	55	23
Mexico	17	22
British Guiana	22	22
Germany, W.	29	21
Australia	45	20

Machinery—chiefly industrial machinery—remained Canada's leading import in 1952. But the most noteworthy increases in imports were those in aircraft and parts and in engines and boilers (especially aircraft engines). These imports are directly related to Canada's defence program, and the growth of defence imports accounted for a large part of the increase in our total imports in 1952. These goods are imported chiefly from the United States and did much to increase that country's share in our imports in 1952. Imports of fuels continued to become less important because of the increased production of petroleum in Canada and the increasing displacement of coal by petroleum. No textile fibres appear among the twelve leading imports in 1952—lower prices combined with smaller demand greatly reduced the value of 1952 Canadian imports of both wool and cotton. Sharply lower imports of automobiles—especially in the early months of the year while credit controls were in force—were

an important influence in reducing the share of the United Kingdom in Canada's imports. In this same period exports of motor vehicles, especially to Latin America, were very heavy.

Imports Rise in Last Quarter

There were several significant changes in trade trends during 1952. Export and especially import prices declined steadily throughout the first half-year, but in the second half-year they stabilized and import prices made a slight recovery. The terms of trade were consistently much more favourable than in 1951. The volume of exports was higher throughout the year but this lead was more pronounced in the first half-year than in the second. The volume of imports showed little gain in the first half of 1952 but in the second half-year, and especially in the fourth quarter, turned sharply upwards. As a result of these changes the trade balance in the second half of 1952 was lower than in the first, although it is usually seasonally high in the autumn.

Chief Influences

Whether this increase in import volume will continue is uncertain. Though moderate increases in volume characterized many important imports in all groups, a few changes were particularly sharp. Textile imports made an especially noteworthy recovery in volume from the very low level of late 1951 and early 1952. Important also was the increase in imports of several consumers' durable goods after the removal of credit controls in the spring. Tourist purchases too showed a greater increase in the second half-year. A higher level of industrial production and consumer expenditure in the last quarter may have swelled demand for some imported goods. But the forces mentioned at the beginning of this article—the defence program, domestic investment and consumption —seem to remain the chief influences on this record level of imports.

—L. A. Shackleton
International Trade Division
Dominion Bureau of Statistics

TRANSPORTATION

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

68431—3

The Businessman's Bookshelf

The books and pamphlets reviewed briefly on these pages are selected because we feel that the Canadian importer or exporter will find them helpful. For those who wish to order them, we are including the name and address of the publisher and the price:

Canada Food Directory 1952-53

144 pp. (paper cover) $5.00.

The latest edition of this directory lists, in section I, brokers; import and export houses (other than wholesalers); wholesalers; chain or department stores handling food; licensed shippers of fresh fruit or vegetables; manufacturers, processors or assemblers of food products. Section II lists products handled by the first three categories in section I, under 13 headings. A brand index, a listing of products handled by categories 5 and 6 above, and a list of branches and subsidiaries complete the book.

Order from: Canada Food Directory, P.O. Box 377, Ottawa, Canada.

Introducing the British Caribbean Colonies

Colonial Office, London. 100 pp. 2 shillings.

This illustrated booklet, one of the "Introducing Series" put out by the Colonial Office, tells of the life and work of the three million people who live in Jamaica, the Windward and Leeward Islands, Trinidad and Tobago, Barbados, British Guiana and British Honduras. Tells something also of the development work in these colonies since the war.

Order from: H.M. Stationery Office, Kingsway, London W.C.2.

Markets After the Defence Expansion

U.S. Department of Commerce. 90 pp. 55 cents.

This is a timely and exceptionally informative study of the United States economy, present and future. As the title suggests, the report was designed primarily to inform the business community on the factors which will affect the level of civilian demand after the present defence program has reached its peak, probably late in 1953, and continued on a high plateau through 1954. The group which undertook this report had at their disposal the extensive research facilities of the Department of

Commerce, the active co-operation of a distinguished group of business economists, and the advantage of first-hand discussions with executives of the leading manufacturing industries in the United States.

While there is necessarily a considerable element of conjecture in the appraisal of future business prospects, there is no question of the usefulness of the wealth of factual information which is assembled in this unique study. Every businessman who is interested in the United States market will find this a most useful report.

Order from: Superintendent of Documents, Washington 25, D.C.

FBI Register of British Manufacturers, 1952-53

Kelly's Directories, Ltd. and Iliffe & Sons Ltd. 22 pp. £2 2s. 0d. post free.

This standard reference work covers a wide range of British products made by different industries. The information is broken down into seven sections: products and services; classified buyers' guide, under alphabetical trade headings; advertisements; prices; trade associations; brand and trade names; trademarks and addenda. Introductory information and instructions on the use of the register are given in French and Spanish as well as English.

Order from: Kelly's Directories Ltd., 186 Strand, London, W.C.2.

Together We Are Strong

U.S. Department of State, 1952. 39 pp. 20 cents.

This little booklet depicts, in a graphic way, how the United States depends upon the resources of other parts of the free world and they, in turn, on the U.S. As an illustration, it tells the sad but imaginary story of Jim Johnson and his family, living in a United States completely isolated from the rest of the world. Makes the point that the "sharing of resources is the backbone of the free world's present struggle to build its defences".

Order from: Superintendent of Documents, Washington 25, D.C.

The Overloaded Economy

The Economic Problems of Great Britain. By Harry G. Johnson. 48 pp. 75 cents.

In these three lectures, written for the general public, the author discusses Britain's economic relations with Canada and with the rest of the world. He deals first with the causes and effects of the overloaded economy, then goes on to examine the balance of payments, and finally takes up the effect of the U.K.'s economic difficulties on the welfare state.

Order from: University of Toronto Press, Toronto, Ontario.

68431—3½

South Africa

Slowdown in Asbestos

After three years of insistent demand and rising prices, the asbestos industry sees the seller's market disappear and the rate of expansion begin slowly to level off.

JOHANNESBURG—Several months ago, asbestos producers in Southern Africa noticed a definite easing in demand for their shorter fibres. As the weeks went by, prices dropped to levels close to those in Canada and the United States. Shingle fibres that used to command £250 to £350 ($750-$1,050) a ton are now selling for about £100 ($270) per ton. The price of shorter grades of amosite (brown) and crocidolite (blue)—which are produced only in South Africa—has fallen over 15 per cent in sympathy with declining chrysotile prices.

The price slump in South African asbestos has dimmed the lustre of one of the region's star mining industries—a star that has been steadily ascending for the past three years. For three years now, overseas buyers have been willing to pay up to twice as much as the going Canadian prices and South African mines increased their output substantially in response to the price boom. In recent years mining men in the Union have opened up deposits previously declared "uneconomical". They had even begun to rework railings of existing mines before prices dropped.

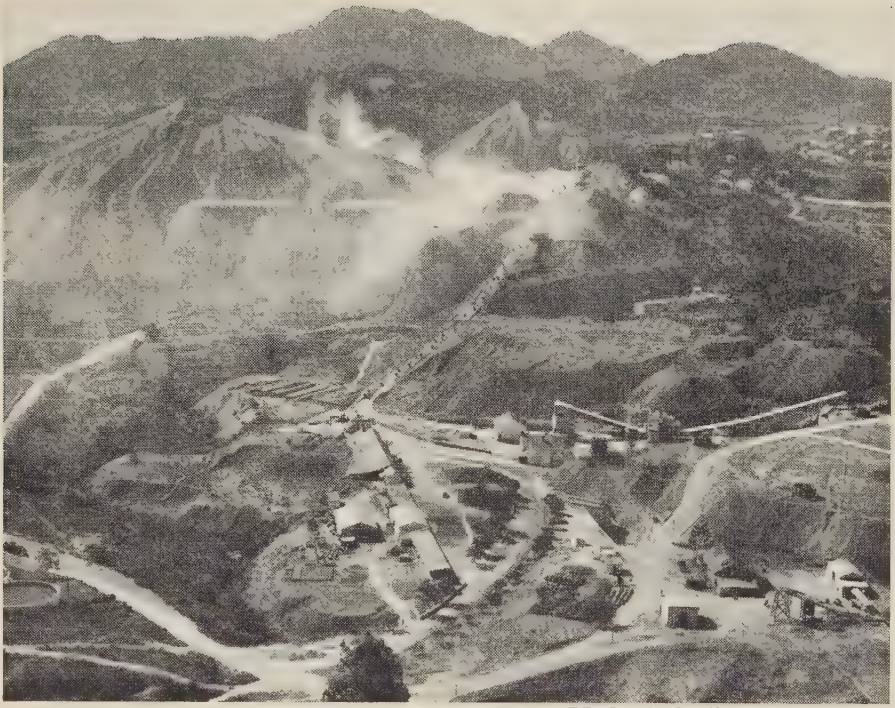
Demand Increases Price

The spectacular growth of the South African asbestos industry is apparent in the following table, giving production figures for mines in South Africa, Southern Rhodesia, Swaziland and, for comparison, Canada:

	1944	1945	1946	1947	1948	1949	1950	1951
				(thousands	of tons)			
Union of South Africa*	34	28	20	35	40	66	76	101
Southern Rhodesia....	53	51	51	49	68	79	72	78
Swaziland	30	21	29	28	32	34	33	34
Canada	380	424	506	600	650	522	878	†973

* These are sales figures—production figures are not available, but probably higher.
† Value $81,500,000.

Before World War II most countries looked to Canada, which produced close to 90 per cent of the free world's chrysotile asbestos, for the bulk of their requirements. During the war, stocks of asbestos were practically exhausted in all countries. When Canadian mines attempted to meet the unprecedented postwar demand they soon found themselves unable to do



—PR Dept. Southern Rhodesia

An aerial view of the Shabanie asbestos mine in Southern Rhodesia. The recent slump in prices for the South African product may eliminate some marginal mines, but the big producers are optimistic about the future.

so and had to ration their entire output among their customers. In the wild scramble for supplies that followed, price, even for the poorer grades, soon became a minor consideration and asbestos producers in this part of the world began to receive offers that were three times those of Canadian mills.

Seller's Market Ended

Last April the chairman of the South African Asbestos Exporters' Association warned local producers that "the seller's market in asbestos is over". He was ridiculed by local mining men at the time but his prediction that "asbestos cannot escape the general softness now developing in world commodity markets" has been borne out by recent developments.

The downward adjustment in prices does not appear to have alarmed major asbestos producers here. The managing director of a local mining group, currently spending over a million pounds sterling for the purchase and development of asbestos claims in Southern Africa, recently expressed the sentiments of most producers when he said, "Asbestos production in Southern Rhodesia and the Union will continue to expand despite the recent fall in prices—lower prices will merely reduce the *rate* of expansion and eliminate a few of the marginal mines".

—Howard E. Campbell
Assistant Canadian Government Trade Commissioner

United Kingdom

Decontrolling the Grain Trade

When price controls on and rationing of cereals, flour and feedingstuffs end at the next harvest, how will this affect British farmers, consumers, and traders in grain?

LONDON—The United Kingdom Government has decided to end the rationing of and price controls on cereals, flour and feedingstuffs by the autumn of this year. Last December the Government announced that it was consulting farmers' representatives, the trade and other interests about the possibility of removing the controls and returning imports to private hands, after careful consideration of the possible effect of these measures on agriculture and on the price of bread. In the light of these consultations, the decision was taken to bring these controls to an end at the next harvest.

Some Subsidies to Go

In a White Paper outlining its plans, the Government pointed out that the removal of controls on cereals and the handing over of imports to private firms will involve the abolition of the existing subsidy on flour and of the restrictions on the type of flour which may be produced.

A National flour of 80 per cent extraction will continue to be manufactured and the subsidy on bread made from this flour will be maintained but modified to take account of the disappearance of the flour subsidy. The price of this subsidized National loaf will remain controlled. Bread made from whiter flour of lower extraction will not be subsidized nor will the price be controlled. This whiter flour will be fortified to bring it up to the nutritional equivalent of 80 per cent extraction. Calcium—which is already added to the National flour—will also become a compulsory component of free flour.

Price Adjustments

The White Paper states that the methods of adjusting prices for the flour cereal crops will have to be altered somewhat from year to year. Under the Agriculture Act, the Government guarantees these prices to the farmers. They are now assured that the Ministry of Food will continue to buy supplies offered from the 1953 harvest and thereafter until new methods have been settled. Discussions on this with the farmers' representatives are already under way.

After the annual fixing of farm prices in 1952 the Government made it plain that, although the feedingstuffs subsidy would be kept on for a further year, it could not be maintained indefinitely. The removal of controls now makes it impossible to continue any remaining subsidy and it will be withdrawn from April 1, 1953.

Naturally, it will be necessary to maintain control over imports of cereals from outside the sterling area to safeguard the balance of payments. The Government intends, however, to give importers the greatest freedom possible, consistent with balance of payments needs, to purchase their requirements under the most favourable commercial conditions. The Government's control will ensure that non-dollar supplies do not tend to command a premium over dollar supplies and that the country will not be dependent on any one source.

Under rationing it has been essential to carry reserves sufficient to ensure meeting the ration at all times. With the abolition of rationing, it will no longer be necessary to carry such a reserve stock which would overhang the market. Satisfactory stocks for trading purposes will be available at the time of decontrol.

Maintaining Feedingstuffs Supply

The rate of imports authorized after decontrol will be sufficient to maintain the present supply of feedingstuffs. The Government expects that farmers will increase their production of animal feedingstuffs and is assuming that these increases will take care of the required expansion in livestock production. In this event, during the first year after the end of feedingstuffs rationing, the Government will be prepared to consider authorizing additional imports if they are needed to prevent serious rises in prices and to maintain an expanding livestock population.

The White Paper concludes with the statement that there will be further discussions of the detailed arrangements with all the interests concerned. Meanwhile, the feedingstuffs rationing scheme will continue in force.

Effects of the Move

Although it has been known for nearly a year that such a step was contemplated, it is not possible to forecast accurately what the effects will be because several factors still remain to be settled. The housewife will have the choice of the National loaf, which will remain at its present subsidized price of 7½d. per 1¾ lb. loaf (8½ cents), or the whiter loaf at a free market price (possibly 11 cents), depending upon her pocket and also upon the demand. There are, nevertheless, many kinds of fancy breads already on sale and it remains to be seen whether the arrival of the whiter loaf, even after 14 years' absence, will have any great impact on the consuming public. The price of flour products such as cakes and biscuits should not rise because manufacturers' flour is not subsidized.

The trade will welcome the degree of freedom which has been missing since 1939. Importers will be able to buy from the most competitive sources, including the dollar area, but "watched over" by the Ministry of Food to safeguard the balance of payments. The rate of extraction will depend on the type of trade which the miller caters to and bakers—hitherto tied to millers by statutory order—will be able to deal with whom they wish. The percentages of nutrients to be added to the whiter flour to replace those lost by the higher extraction rate remain to be fixed by statutory order.

Despite the assurance to them contained in the White Paper, farmers have received the announcement critically. The National Farmers' Union asserted that although, after the next harvest, farmers may buy whatever feedingstuffs they like where they like, the freedom of purchase will be restricted by their ability to pay the market price. With the removal of the subsidy, they argue, production costs will rise, with consequent increases in the prices of the farmers' end products. The small farmers, dependent upon purchased feedingstuffs, would be the hardest hit.

Prices May Rise

When the subsidy is removed on April 1, it is possible that prices may rise by £2 or £3 per ton. The Government has, however, specifically stated that this will be taken into account at the next annual farm price review. Imported barley is costing the Ministry of Food more than the home-grown product. As a result, with a free market the home farmer may stand to benefit. The removal of restrictions may permit the expansion of pig herds and poultry flocks, because the rationing scheme limited the activities of many producers. Larger farmers with surplus supplies will be able to sell to their neighbours instead of to the "pool", thereby making farm-to-farm sales more economical.

Benefit to Taxpayers

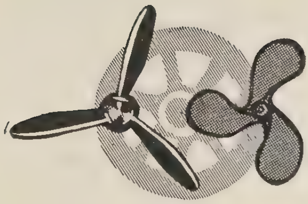
The taxpayer seems likely to get the benefit of some savings on subsidies and administrative costs. The discontinuation of the feedingstuffs subsidy will save £30 million a year. The flour subsidy, which was paid at the milling stage, cost £10 million a year but the White Paper indicates that there will be some adjustment to allow for the continuation of the National loaf. The reduction of staffs in local food offices will save £100 thousand a year, in addition to the £40 thousand a year paid by the Ministry of Food to leading members of trade associations whose services have been used by the Minister. The Ministry of Agriculture will save about £360 thousand a year in staff reductions, making a total estimated economy of approximately 40½ million pounds, or 110 million dollars.

—D. A. B. Marshall
Commercial Secretary for Canada (Agricultural)

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.



TRANSPORTATION NOTES

CANADA

New Shipping Service—A new shipping service is scheduled to begin when navigation opens on the St. Lawrence waterway system and will link the lower Great Lakes ports with Newfoundland. Two motor vessels owned by the Constantine Canadian Services, a subsidiary of the Constantine Company of Middleborough, England, will operate a regular cargo passenger service plying between Hamilton, Toronto, Montreal and St. John's. Eventually, the Constantine Company plans to extend its activities to additional Great Lakes and St. Lawrence River ports. Saguenay Terminals Limited will be the agent.

GUADELOUPE

Harbour Improvement—Plans for Pointe-a-Pitre will include widening and deepening of the channel and the provision of two new mooring berths and two warehouses. These warehouses will provide silo facilities for the bulk loading of sugar and will also accommodate the whole banana crop. At present, shipment of the production of the southern and western areas is made at Basse-Terre—Port of Spain, February 5.

INDIA

New Air Route—According to the terms of an agreement recently reached under the auspices of the International Civil Aviation Organization, Indian civil aircraft will be permitted to fly a more direct route over Pakistan territory to points in Afghanistan. Thus the five-year old dispute between Pakistan and India about air traffic rights has been resolved.

The present devious route between India and Pakistan was pioneered by Himalayan Aviation Limited which two years ago established a monthly DC-3 service from Ahmedabad to Kabul, via Karachi, Pakistan, Zahidan, Iran, and Kandahar, Afghanistan, thus skirting Pakistan. In November 1952 the Indian terminus of this service was transferred from Ahmedabad to Bombay, with weekly departures from Bombay at 3 a.m. Monday and from Kabul at 6 a.m. Tuesday, weather permitting, on the approximately 13-hour flight.

The new route, arrangements for which have not as yet been finalized with the Government of India, should considerably reduce the flying time between these two centres through the use of Lahore, Pakistan, as a stop-off point. The agreement provides for the opening

of two 20-mile wide corridors from Karachi and Lahore airdromes to points in Afghanistan. At these intermediary points in Pakistan, Indian planes may make refuelling stops but the present restrictions against off-loading of passengers and cargo will continue—Bombay, January 22.

JAPAN

New Airline—Osaka is to be the headquarters of the new Kyokuto Koku (Far East Airways). The firm is capitalized at 50 million yen, which will be increased to 200 million yen in the spring. Kyokuto Koku plans to operate domestic flights for the time being; eventually will extend its services to Okinawa, Thailand, Korea, and Indonesia—Tokyo, January 20.

MALAYA

Rail Freight Rates—The Malayan Railways, whose freight business has suffered drastically because of bandit activities in the Federation, announced recently that exceptionally cheap freight rates would be offered to firms who would contract to ship all goods by rail. These freight rates are cheaper than those offered by road transport companies and have brought back to the railways between 45 and 50 per cent of the business enjoyed before the emergency—Singapore, January 19.

SOUTH AFRICA

Central African Railway Unlikely—Plans for a middle African rail network joining the Rhodesias and British East African Lines and involving construction of 1,100 miles of main line at a cost of £33 million will probably lapse because of the unfavourable economic report on the project by the Central African Rail Link Development Survey. Dealing with the main line linkage between Rhodesia and Tanganyika and the five principal feeder lines, the report finds that, with the exception of southwest Tanganyika which has minerals, freight tonnages must be based on agricultural products—Cape Town, February 5.

SWEDEN

Transport Problems—At discussions in Stockholm between representatives of the various branches of transport, it was stated that the high cost of road transport, which in Sweden is not government-controlled, is mainly the result of bad roads which ruin even first class lorries. The larger type of lorry is now preferred to the medium size, but there is also an increasing use of the smaller lorries for parcel transport. The state railways are in financial difficulties and no solution seems likely in the near future. Goods traffic has decreased heavily since May, primarily because of effective competition from road transport and the 18 per cent increase in freight rates. On the bright side, Scandinavian Airlines System's new tourist class service is expected to become a popular form of travel, both cheap and safe—Stockholm, January 30.

West Germany

The Trade in Agricultural Commodities

Agriculture in Germany has made a remarkable come-back, but substantial imports of foodstuffs continue. The dollar shortage and good domestic production may cut down food imports from hard currency countries in 1952-53.

BONN—West Germany's production of food has shown a remarkable postwar recovery. All major branches of agriculture have, during the past two years, either approximated or substantially surpassed their 1935-38 levels. There is still room for expansion, but at a much slower rate. However, as and when there are increases, there is likely to be an offsetting drop in imports because consumption, now practically equal to prewar, is showing a resistance to increase, particularly at prevailing prices.

The dairy industry—and, correspondingly, beef supplies—has a good chance for continuing to develop without stepping up feedstuff imports because it can at the same time intensify grassland production. Growth in the major hog industry, on the other hand, would mean increasing Germany's dependence upon grain imports which already constitute the largest single dollar expenditure. And it should not be forgotten that favourable weather conditions with resulting heavier than average yields have played a most important part in the good crops realized, particularly in the past two years.

The loss of the Eastern Zone has certainly contributed substantially to the quick rehabilitation and increased intensity of agricultural production in Germany. At the same time, it is also the underlying reason for the higher level of essential imports.

Consumption Practically Static

Consumer rationing has disappeared; the only remaining control is on sugar, which is released from processing mills on a quota basis. Consumption has been left to find its own level in relation to price and available supplies. With the elimination of food shortage on world markets, the consumer pattern has reshaped itself on the prewar model. The per capita consumption of such high starch content foods as bread and potatoes has fallen from the immediate postwar high. Bread consumption has gone considerably below prewar. Fruit consumption is higher and the amount of dairy products used (except butter, which is in short supply) is comparable with 1935-38.

Meat consumption is a notable exception; in 1951-52 it amounted to only 38·3 kg. per person, compared with 51·0 kg. during 1935-38. With small increases in consumer purchasing power, minor increases will prob-

ably take place in the amounts of higher protein foods used. However, there is no scarcity of food in the German market and an appreciable increase will come only if prices fall—and such a fall would be stoutly resisted by farm groups.

Imports and Production

Like all countries without a freely convertible currency, Germany has a vast array of controls governing the levels of trade and the currency areas with which trading is carried on. In addition agriculture, because of variations in production and sensitiveness to over-supply, has secured legislation designed to achieve "order in the market" (Marktordnung). This influences profoundly not only domestic but also import policy on foodstuffs.

The "Marktordnung" legislation, which covers all major agricultural commodities except fruits and vegetables, exercises that measure of control over supply and price needed to ensure orderly marketing. Prices payable to domestic producers can be established. A plan of supply (the outline of which must be made public at the beginning of each economic year starting in July) balances import needs against available domestic supplies in relation to consumer requirements. Commodities can be imported at one price and put on the domestic market at another, with the Government absorbing the profit or loss. In addition, the Government is authorized to carry out storage programs including either domestic and imported foodstuffs or both. The operation of this legislation must of course be fitted into other measures governing Germany's foreign trade, but the "Marktordnung" legislation is distinct from that on general trade policy. It is not unrealistic to assume that, even if a policy towards freer trade develops, this basic agricultural legislation may be continued.

Germany's importance as one of the leading world exporters of industrial commodities is recognized. It is, however, less often emphasized that her ability to import agricultural commodities for domestic consumption is an essential factor in determining the export volume. During the first 10 months of 1952, of Germany's total imports amounting to $3,113 million U.S., 37·2 per cent consisted of agricultural commodities, other than those primarily for use in industry, such as cotton. Conversely, although during the same period total German exports amounted to $3,289 million U.S., agricultural exports only totalled $74 million U.S., or 2·2 per cent.

From Dollar Area

In 1951, Germany purchased $381 million U.S. worth of agricultural commodities from dollar countries, or 27 per cent of her total agricultural imports and 46 per cent of the amount spent on all imports from hard currency areas.

Despite the many restrictions against dollar imports and the tendency towards increased exports to this area, Germany still has a pronounced dollar gap. In the period from January to August 1952, imports totalled $310 million more than exports. Within the limits of continued control over the type and amount of commodities imported, Germany has been able to satisfy her major dollar import needs. In this, two factors have helped materially—U.S. aid and her overall favourable balance of trade, which has allowed her to augment purchases from the dollar area via

transit trade. Thus, without using dollar currency she has been able to obtain appreciable additional quantities of commodities from this area through other countries, which have made them available in most instances at a currency premium. The official statistics show these transit imports as totalling $45 million U.S. in 1951 and $51 million U.S. in the first eight months of 1952.

The range of agricultural commodities imported from the dollar area is very limited. Basically, of course, the reason is that the world supply of food is better than the supply of many industrial raw materials. In addition, Germany's ability to export depends directly upon the securing of raw materials so that these have a high priority in the demand for dollar exchange. Grains are at the very top of the list of foods secured in large quantities from dollar sources. Despite increased grain production in soft currency areas, this dependence is likely to continue. Vegetable oils and more limited quantities of animal fats constitute practically the entire remaining agricultural purchases.

Trade with Canada

Canadian export statistics show that trade with Germany has been increasing rapidly during the past few years. In 1950, direct exports from Canada reached $8·9 million; in 1951, rose to $37 million, and in 1952 to $94·8 million. On the other hand, German exports to Canada have been running much lower: $11 million in 1950, $30·9 million in 1951, and $18·2 million in the first ten months of 1952. Agricultural commodities make up a considerable proportion of Canadian exports to Germany—some $14·6 million in 1951 and $46·3 million during the first nine months of 1952. Barley, rye, wheat and wheat flour provide the bulk of these exports but alcoholic beverages, seeds, vegetable oils, tobacco products, furs, lard, honey and sausage casings are also included.

The foregoing figures include only those goods shown as having been exported to Germany. In addition, a considerable quantity of commodities originating in Canada enter Germany as a result of trade via third countries.

Trading Connections Essential

The German policy of limiting dollar spending to essential commodities unobtainable elsewhere makes the continuity of business relations extremely difficult. This is particularly true of food and agricultural commodities because, contrary to the industrial situation, no commodity comes in under a system of open general licence. Every import must first receive governmental approval. For this very reason, if Canadian exporters are interested in taking advantage of business opportunities in Germany as they arise they must have trading connections which will keep them informed.

Association with German import firms is, of course, the first requisite. As mentioned earlier, many German imports originating in Canada enter via the account of some third country. This may (depending on the commodity) make it desirable to have connections with firms in countries bordering Germany which specialize in the handling of transit trade.

Prospects for greater sales of agricultural commodities to Germany from the dollar area in the near future are not very bright. On the contrary a number of factors suggest that these purchases may decline.

Germany is finding it less difficult during the present economic year, 1952-53, to secure adequate food supplies to cover any increase in consumption than she has in any of the postwar years. First, the yields of grain and root crops have been exceptionally good, though forage crop production has fallen somewhat lower. During 1951-52 the Government particularly, and also industry, undertook heavy expenditures to raise reserve stocks of agricultural commodities to adequate levels. Present indications are that, for most commodities, stocks will be somewhat reduced during the current year.

Import Program 1952-53

Total agricultural imports are therefore likely to be lower during 1952-53, particularly as there is great internal pressure against any volume of imports that might threaten the domestic farm price structure. Supplies on the world markets have increased and prices have softened. This means that Germany's combined smaller needs can probably be filled with less buying from the dollar area than was necessary a year ago. At the same time, Germany's dollar position appears adequate not only to purchase those quantities unobtainable elsewhere but also additional amounts—if the price differences between the dollar and other currency areas are sufficiently great to justify this action.

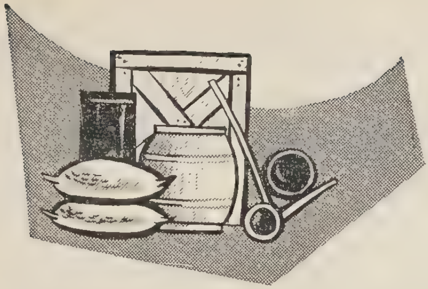
Meat Imports

The entry of meat imports, to which Germany is committed under bilateral agreements, has been postponed and an attempt is being made to reduce volume in the new agreements being negotiated. This applies particularly to pork; anticipated beef requirements, although lower than a year ago, are not yet fully secured under agreements. The possibilities for volume sales to Germany from the dollar area are, however, small.

—W. Van Vliet
Agricultural Secretary for Canada

MERCHANT FLEET GROWS

According to latest statistics, in July 1952 gross world tonnage of merchant ships was 90,180,000 tons, an increase of 2,935,000 tons over the previous year. The largest expansions during the year were in Japan, Italy, Germany, Liberia, France and Sweden. *Lloyd's Register* figures show that the wartime building program is still reflected in world tonnage by a preponderance of the six to eight thousand ton group, but a large proportion of this is not in commission. Of ships built since the war, the largest volume of tonnage now falls in the ten to fifteen thousand ton group. The marked increase in this group since 1951 is the result of the construction of oil tankers—London, February 10.



COMMODITY NOTES

BRAZIL

Castor Seed—The demand for castor seed, both from local factories and abroad, is strong but the crop has ended with very little in the hands of exporters. Oil factories, however, have sufficient stocks until the end of the year. The United States is the largest buyer but France has entered the market lately, quoting higher prices. The f.o.b. price (bagged) was US$210 per long ton at the end of October, compared with US$170 on September 30. The mid-crop due in January is expected to be a bumper one as climatic conditions have been favourable—Rio de Janeiro, January 22.

ITALY

Iron and Steel—During the first nine months of 1952, the total output of the iron and steel industry amounted to 2,634,019 tons, as compared with 2,235,762 tons for the same period in 1951. The increase has taken place almost every month as compared with the same month in the previous year, but the statistics for September indicate the greatest advance. In that month pig iron increased to 101 thousand tons from 95,205 tons in September, 1951; steel to 313,214 tons from 258,190 tons in the same month in the previous year; and rolled iron and steel to 224,320 tons from 202,003 tons in September 1951—Rome, February 6.

JAPAN

Steel—Yawata Iron and Steel Company brought into operation on December 24, 1952, the last unit of its seven open-hearth furnace expansion program, boosting monthly production to 51 thousand tons—Tokyo, January 22.

MEXICO

Petroleum—Mexican petroleum production will be more than doubled under a six-year plan that was put into operation by the national oil administration, Petroleos Mexicanos, at the end of 1952. Average daily production of crude oil was scheduled to increase from the

current 220 thousand barrels to 460 thousand barrels by 1958. Between 400 and 450 new wells will be drilled each year. Exports are expected to increase by 20 per cent a year to 221 thousand barrels a day in 1958, and domestic consumption of oil and derivatives by 7 per cent a year to 217 thousand barrels a day. This expansion of the industry will call for new investment of not less than 2,000 million pesos—Mexico, D.F., January 30.

NETHERLANDS

Potatoes—The export of all potatoes from the Netherlands has been banned by the Ministry of Agriculture until further notice because of the losses sustained in the catastrophic floods that struck the Netherlands on February 1. The only exception to this ruling is for potatoes which, according to their shipping documents, left their initial shipping point before February 1.

Effective February 4, maximum prices have been set to prevent potato prices from sky-rocketing. Maximum sales prices have been set for growers, country traders, wholesalers and retailers. Retail prices have been established at 0.18 guilders per kg. (Can.$2.12 per 100 lb.) for clay soil potatoes, and 0.16 guilders per kg. (Can.$1.98 per 100 lb.) for sandy soil potatoes. Prices of 0.19 guilders and 0.17 guilders per kg. respectively have been set for the Waddenzee area. An additional charge of 0.01 guilders per kg. is permissible where potatoes are delivered to consumers. Retailers are obliged to indicate clearly the prices and varieties of potatoes offered. The margin of profit permitted retailers is 0.03 guilders per kg. (Can.$0.35 per 100 lb.); wholesalers, 0.0275 guilders per kg. (Can.$0.32 per 100 lb.); and for country traders, ¾ guilders per kg. (Can.$0.09 per 100 lb.)—The Hague, February 5.

PORTUGAL

Raw Cotton—The Portuguese Ministry of Economic Affairs has authorized the export of 3,000 tons of raw cotton to foreign countries because of the expanded cotton production in metropolitan Portugal. It is interesting to note that domestic production is such that, despite an increase in local production of cotton textiles, Portugal is now an exporter and independent of foreign imports—Lisbon, February 12.

TRINIDAD

Grapefruit—First shipment of the 1952-1953 grapefruit crop was made to the United Kingdom on January 26. Of the total estimated record crop of between 500 and 600 thousand cases, 250 thousand cases will be exported. Chief market is the United Kingdom. The rest will be canned—Port of Spain, January 30.

UNITED STATES

Carbon Black—A leading Boston producer of carbon black is experimenting with this material as a soil conditioner. It has been found that the sooty substance increases the soil's ability to absorb moisture and energy from the sun—Boston, February 12.

Banking Reforms Take Shape

ATHENS—A first and important step towards the re-organization of the Greek banking system has just been announced. In a recent statement Mr. Markezinis, the Minister of Co-ordination, has indicated that it is the new Government's intention to proceed immediately with the amalgamation of the two principal commercial banks in Greece—the National Bank of Greece and the Bank of Athens. The general manager of the Bank of Athens will become governor of the new bank, which will probably be called the National Bank of Athens. It will handle approximately 75 per cent of all the commercial banking business in Greece. The objectives of this amalgamation are to cut administrative costs throughout the banking system and thereby take the first step towards reducing the present high costs of bank credit and services, and, subsequently, to reduce the present exorbitant rates of interest.

Has Mixed Reception

Informed opinion here has received this development with mixed feelings. It is generally agreed that a reform of the banking system was long overdue, but some responsible sources are afraid that the present measures will mean a virtual commercial banking monopoly for the new institution. However, the Bank of Greece will continue as the central controlling bank of the country, and it is hoped that those of its present activities not customarily associated with the role of a central bank will soon be absorbed by the new commercial bank.

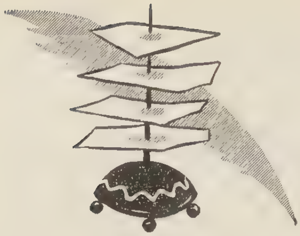
Up to the present, the banking system of Greece has not had the general confidence of business or the public and banking accommodation has been extremely high-priced. Interest on commercial loans usually exceeds 30 per cent a year. A high percentage of the money in circulation is in notes of issue rather than cheques and commercial paper.

If this measure succeeds in creating the hoped-for confidence and, subsequently, much lower interest rates, two of the principal conditions of an attractive business framework for private capital investment will be established. The new bank intends to make a concerted effort to reduce operating costs. Several thousand employees will be dismissed and many competing branch offices of the two banks will be closed.

It is expected that other constructive reforms of the new Greek Government will include:

- A new law defining the guarantees and conditions for foreign investment.
- Cuts in the Government's subsidy bill.
- A re-organization of and reduction in the number of government departments and civil service employees.
- Lower interest rates on loans to farmers to purchase agricultural machinery.

—H. W. Richardson
Commercial Secretary for Canada



GENERAL NOTES

BRITISH NORTH BORNEO

Submarine Oil Exploration—The first major submarine oil drilling operation in the British Commonwealth took place in December 1952 from a platform fixed on the bed of the South China Sea about a mile off the coast of British Borneo. Initiated by Shell, the plan is to drill four wells—one will be drilled vertically into the sea bed, the other three deviated to a depth of between 7,000 and 8,000 feet—to find an undersea extension of the Seria oil field. This is the largest single oilfield in the British Commonwealth and has a production of five million tons of crude oil a year.

The drilling platform covers an area of 110 feet by 45 feet and is built on to a jacket composed of 28 24-inch diameter vertical steel guide piles tied together by horizontal and diagonal bracings of angle iron. The jacket rests on the seabed in about 30 feet of water. The drilling platform can support a weight of up to 200 tons. An aerial ropeway to handle lifts of up to five tons and a transporter car for personnel connect the platform to the shore with the aid of six intermediate steel structures—Singapore, January 19.

CUBA

Plastics Industry Discussed—Plans to establish a plastics plant were announced during the visit to the Cuban Ministry of Agriculture of a prominent American chemist in the plastics business. The possibility of using such raw materials as sugar cane bagasse, soybean alcohol and other materials easily obtained in the country will be thoroughly studied. The Minister offered the visitor every facility to further the installation of this new industry—Havana, January 30.

IRELAND

Ground Limestone Factory—A new ground limestone factory will be opened shortly in Laois, Republic of Ireland. It will be the largest and most modern factory of its kind in Ireland. At first the scheme will include 16 acres of ground where the limestone runs to a depth of 50 to almost 500 feet and output is expected to reach about 1,000 tons a week. The limestone to be worked has the highest percentage of calcium to be found anywhere in Europe, it is stated—Dublin, February 10.

INDIA

Export Duty on Cloth—A recent announcement of interest to Canadian importers of Indian cotton textiles has been issued by the Government of India: "In order to improve the competitive position of Indian cloth in foreign markets, it has been decided to reduce with immediate effect (as of January 4, 1953) export duty on cloth from 25 per cent ad valorem to 10 per cent ad valorem".—Bombay, January 30.

JAPAN

New Trade Offices—The Tokyo Metropolitan Government has budgeted Y200 million to re-open five prewar trade offices in New York, San Francisco, Hong Kong, Karachi, and Rio de Janeiro. These offices are intended to supplement the work of present Foreign Ministry overseas agencies—Tokyo, January 28.

Signatory to Copyright Convention—Japan is now a signatory to the Universal Copyright Convention. The accession took place at UNESCO headquarters in Paris on January 3rd—Tokyo, January 28.

PORTUGAL

Cod Fishing Fleet Sails—Twenty-two trawlers of the Portuguese fishing fleet will leave Portugal during the latter half of February for the Grand Banks in Newfoundland. These ships, with a total displacement of 46 thousand tons, will require crews of 1,500 men. The departure of the Portuguese fishing fleet is an annual event of great importance—Lisbon, February 5.

SOUTH AFRICA

Trade Balance Improved—The relation between the Union's imports and exports for the first eleven months of 1952 shows a great improvement compared with the corresponding period of 1951. From January to November 1951, imports exceeded exports by about £123 million. Last year, this figure declined to about £84 million. According to the preliminary trade statement issued by the Commissioner of Customs and Excise, merchandise imports were almost £50 million less in value during the first eleven months of 1952 than during the same period in 1951. Exports, however, also decreased about £11 million, principally because of lower agricultural exports—Johannesburg, January 29.

UNITED STATES

Textile Plants Close—The American Woollen Company has permanently closed two of its large mills in New Hampshire, bringing to four the number of its mills closed in New England during 1952. The two mills employed a total of 2,600 workers. This development is in keeping with the company's shift to the southern states where it can take advantage of lower labour costs. In all, six of its New England mills have now been shut down; 17 are still in operation in the area. Most of the workers have been absorbed by new industries in the region—Boston, February 9.

TRADE AND TARIFF REGULATIONS

CHILE

Preferential Exchange Imports—The list has been published of commodities which may be imported into Chile with preferential exchange of Ch.$60 per dollar.

The complete list is on file with the International Trade Relations Branch of the Department of Trade and Commerce, but the following items are of particular interest to Canadian exporters: newsprint, wheat, antibiotics, caustic soda, cellulose for paper and rayon, agricultural machinery and tractors, sewing machines, and merchant ships —Santiago, February 12.

JAMAICA

Soap Imports—In a notice of January 31 importers in Jamaica were advised that imports of germicidal and medicated soaps will be permitted only where the importer provides satisfactory evidence from carefully controlled laboratory tests that the soap is effective in causing a significant reduction of bacterial counts under conditions of normal use.

LEBANON

Prior Import Licences—For the commodities specified below, importers are now required to obtain an import licence before placing a definite order or, at all events, before payment is allowed to be made. Canadian firms accustomed to exporting on terms of "payment against documents" or similar arrangement would be well advised to assure themselves that a licence has been granted before making shipments.

The purpose of the new order is to enable the authorities to keep a check rein on imported goods which might flood the market to the detriment of local production. For other commodities the import procedure remains as before, that is, import licences are granted freely at the time of arrival of the goods.

Commodities affected by the new ruling are:

Sesame butter (Tehini)
Wheat flour
Confectionery
Chocolate and articles made from chocolate
Alimentary pastes
Edible vinegars
Oil paints
Eau de Cologne
Matches
Morocco wares and travelling requisites of leather

Biscuits
Jams, jellies, juices and preserved fruits and candied peels
Beer
Wines (except fine qualities and champagne)
Alcohol, ethyl
Tubes, pipes and stoves of cast iron; brass taps and locks
Machines and equipment for spinning mills
Rubber soles and heels for footwear
Cardboard
Yarns of natural silk Nos. 13/15 and 20/22; natural silk textile crepes, plain or printed; shirting of natural silk
Worn clothing
Footwear and made-up parts of footwear.

—Beirut, February 10.

UNITED KINGDOM

Sterling for I.B.R.D.—At the Commonwealth Economic Conference in London, November-December 1952, the United Kingdom announced its intention of discussing with the International Bank for Reconstruction and Development, arrangements for making sterling available for lending by the Bank to Commonwealth countries of the sterling area. Such loans would be designed to improve the sterling area's balance of payments by fostering economic development.

The United Kingdom has now reached agreement with the Bank. The amount of sterling that would be made available is reported to be in the neighbourhood of £60 million to be released over a period of not less than six years. Specific loans by the Bank will be made in consultation with the United Kingdom.

UNITED STATES

Mustard Seeds Investigation—The United States Tariff Commission instituted an investigation on February 12, under the authority of Section 7 of the Trade Agreements Extension Act and Section 332 of the Tariff Act, to determine whether mustard seeds (whole) under tariff paragraph 781 are, as a result in whole or in part of the customs treatment reflecting concessions granted on such product under the GATT, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

The investigation has been undertaken at the request of the Montana State Farm Bureau on behalf of domestic mustard seed growers—Washington, February 13.

Imports of mustard seeds (whole) under tariff paragraph 781 were subject to a duty of 2¢ per lb. under the 1930 Tariff Act. This rate was reduced to 1¾¢ per lb. as of January 1, 1939, and again reduced in 1951 under GATT to the present level of ⅞¢ per lb.—Editor.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate fof any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalents multiply by 1·0243.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Feb. 12*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1302	
		Basic buying	·1952	(1)
		Preferential selling	·1952	
		Basic selling	·1302	
		Free	·0703	
Austria	Schilling		·04570	
Australia	Pound		2·2020	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01950	
Bolivia	Boliviano	Official	·01627	tax 5% (1)
		Differential	·00971	tax 3% (2)
British West Indies	Dollar		·5734	(3)
	Pound		2·7525	(4)
	Dollar	Brit. Honduras	·6881	
Brazil	Cruzeiro		·0528	tax 8% (2)
Burma	Kyat		·2064	
Ceylon	Rupee		·2064	
Chile	Peso	Official	03144	(1)
		Commercial	·01626	
		Free	·00887	
Colombia	Peso	Basic	·3905	tax 3% (2)
		Coffee buying	·4255	
Costa Rica	Colon	Official	·1743	(5)
		Free	·1463	*Nov. 28
Cuba	Peso		·9762	tax 2%
Czechoslovakia	Koruna		·01952	
Denmark	Krone		·1413	
Dominican Republic	Peso		·9762	
Ecuador	Sucre	Official	·06509	(6)
		Free	·05637	
Egypt	Pound		2·8034	
Fiji	Pound		2·4797	
Finland	Markka		·00424	
France	Franc		·00279	
French Africa	Franc		·00558	
French Pacific	Franc		·01535	
Germany	D Mark		·2324	
Greece	Drachma		·000065	
Guatemala	Quetzal		·9762	
Haiti	Gourde		·1952	
Honduras	Lempira		·4881	
Hong Kong	Dollar	Free	·1603	*Jan. 23
Iceland	Krona	Official	·05995	
		Special buying	·04610	
		Special selling	·03745	
India	Rupee		·2064	
Indonesia	Rupiah	Basic	·08564	
		With Surcharge I	·04282	(7)
		With Surcharge II	·02854	
		Dollar certificate	·00183	*Dec. 15

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Feb. 12	Notes (See below)
Iran	Rial	Certificate I	·01121	*Jan. 7
		Certificate II	·01115	*Jan. 7
Iraq	Dinar		2·7525	
Ireland	Pound		2·7525	
Israel	Pound	Basic	2·7335	
		Special	1·3667	
		Investment	·9762	
Italy	Lira		·00157	
Japan	Yen		·00271	
Lebanon	Pound	Free	·2725	*
Mexico	Peso		·1129	
Netherlands	Guilder		·2569	
Netherlands Antilles	Guilder		·5177	
New Zealand	Pound		2·7525	
Nicaragua	Cordoba	Effective buying	·1479	(8)
		Official Selling	·1385	
		With Surcharge I	·1213	
		With Surcharge II	·0971	
Norway	Krone		·1367	
Pakistan	Rupee		·2951	
Panama	Balboa		·9762	
Paraguay	Guarani	Basic	·06509	(1)
		With Surcharge I	·04649	(9)
		With Surcharge II	·03254	
Peru	Sol	Certificate	·0624	
Philippines	Peso		·4881	tax 17% (2)
Portugal	Escudo		·03402	
El Salvador	Colon		·3905	
Singapore & Malaya	Straits dollar		·3211	
South Africa (Union of)	Pound		2·7525	
Spain & Dependencies	Peseta	Basic buying	·04458	
		Basic selling	·08701	(1)
		†Basic commercial selling	·05944	
		Free	·02462	
Sweden	Krona		·1887	
Switzerland	Franc		·2277	
Syria	Pound	Free	·2613	*Dec. 15
Thailand	Baht	Official	·07810	(1)
		Free	·05729	*Nov. 28
Turkey	Lira		·3487	
United Kingdom	Pound		2·7525	
United States	Dollar		·97625	
Uruguay	Peso	Official	·6427	
		Basic buying	·5484	
		Special buying	·4154	(1)
		Basic selling	·5138	
		Special selling	·3984	
Venezuela	Bolivar		·2914	(10)
Yugoslavia	Dinar		·00325	

* Latest available quotation date.
† Since the "Basic selling" rate is for State purchases only, we are now also quoting the "Basic commercial selling" rate.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective rate for all Indonesian exports to dollar area is basic rate plus 70 per cent of dollar certificate rate. Cost of imports is increased by full amount of dollar certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to all Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11.

THE TRADE FAIR IS A "**buyer's PARADISE**"

"I've done business at the Trade Fair which otherwise would have been impossible. My prime interest was jewellery, but there seemed to be almost everything on display . . . a buyer's paradise."

CANADIAN JEWELLERY BUYER

Already Exhibitor bookings for the 1953 Trade Fair are large. Plan now to attend! There is no easier or more economical way for *you* to see a world of new merchandise and make new, valuable contacts.

There were 1272 Exhibitors from 29 countries at the 1952 Trade Fair—of whom many were Canadian. Merchandise ranged from precious stones to the most modern construction equipment, affording buyers the greatest opportunity yet offered by any previous Canadian International Trade Fair.

Write for information *now* to The Administrator, Canadian International Trade Fair, Exhibition Park, Toronto 2-B, Ontario.

Sixth

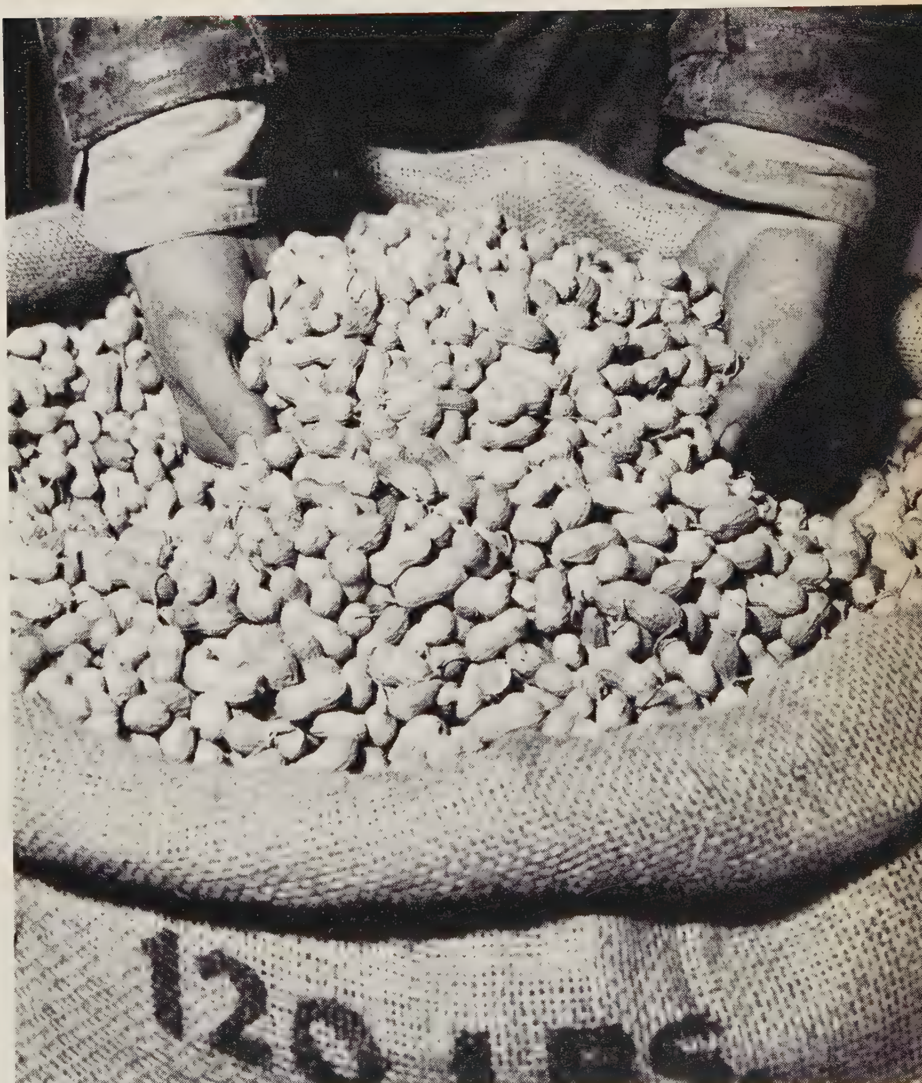
CANADIAN International TRADE FAIR

TORONTO, JUNE 1-12 · 1953

OPERATED BY THE GOVERNMENT OF CANADA TO PROMOTE YOUR BUSINESS

foreign trade

FEBRUARY 28, 1953



Seven Million in Peanuts (page 2)

Speaking of Imports . . .

One day about two months ago, we spent an hour or two talking with the Commodity Officer who specializes in the many types of food which we import from foreign countries. Beginning with coffee, the conversation ranged over many different foods . . . and out of it came the idea for the feature in this issue—peanuts.

The story on peanuts is a good example of how "Foreign Trade" feature articles are put together. The Commodity Officer briefed us on edible peanuts—from which countries we buy them and when, and how they are eventually used. A quiet session in the library gave us the statistical picture of the trade in the last few years.

The next step was sending out airmail letters to Trade Commissioner offices in the three countries which supply us with most of our edible peanut kernels—Mexico, India, and the United States. Could they, we asked, send us reports about this year's peanut harvest, the probable exports, prices, etc.—a report that we could publish during the current buying season? They could and did.

From their contributions, supplemented by the Commodity Officer's knowledge of the trade and by our own research, came our feature article "Seven Million in Peanuts". It is the first of several which will tell importers and the general reader about some of our indispensable, everyday imports.

—The Editor.

foreign trade

VOL. 13 OTTAWA, FEBRUARY 28, 1953 NO. 322

COVER . . . Canada buys in one year nearly 60 million pounds of peanuts like these, to go into peanut butter, confectionery, bakery products, etc. For a feature article on our peanut imports, turn to page 2.
—USDA photo by Forsythe.

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

Seven Million in Peanuts

Where does Canada buy the peanuts that become peanut butter, candy fillings, salted nuts, etc.? Here is a composite picture of our import trade in peanuts.

EVERY YEAR Canada's import bill for edible peanuts runs to some seven million dollars. Every year we buy abroad about 60 million pounds of edible peanuts to be turned into peanut butter, candy fillings, topping for cakes, etc., or, roasted and sometimes salted, to be sold across retail counters.

Back in 1938, when there were fewer consumers and not so many industrial users, we spent just short of a million dollars on peanut imports. By 1947, this figure had gone up to nearly $9 million; in the last two years, has kept fairly steady at slightly over $7 million.

Where do these peanuts come from? Over the years, sources have changed as war has cut off one supplier and given another fresh opportunity. In 1938 North China had a commanding lead, sending Canada three-quarters of our total peanut kernel imports. India took second place. The Second World War cut off purchases from China and Canadian buyers turned to India and to a nearer but more expensive source—the southern United States—to fill the gap. At the same time a new supplier appeared—Mexico. Its share of peanut kernel sales to Canada was modest in 1944, as the table below shows:

Imports of Peanuts, Green, Shelled or Not

1944

Country	Quantity	Value
British India*	33,345,522 lb.	$1,984,459
United States	22,633,090	3,545,344
Nigeria	20,831,510	714,697
Mexico	3,492,890	470,129
	80,303,012	$6,703,629

China had scarcely made a market come-back when the outbreak of the Korean war once again cut her off from the Canadian buyer. China's loss became Mexico's gain. In the last two years, all but a fraction of our peanut kernel purchases have been made from Mexico, India, and the United States—as the table illustrates:

* Imports from India in 1944 included a considerable quantity of peanut kernels used in Canada to produce peanut oil.

Imports of Peanuts, Green, Shelled or Not

	Eleven months 1952		1951	
	lb.	$	lb.	$
Mexico	36,544,140	4,526,130	35,947,827	4,626,182
India	17,456,685	1,940,092	14,995,790	1,602,846
United States	703,423	126,316	3,880,598	657,852
China	....	....	2,196,000	243,359
Other suppliers	285,185	38,098	144,063	21,084
	55,011,833	6,633,862	57,084,278	7,151,323

In most countries, the peanut crop is harvested in the fall and importers place their orders during the autumn and early winter.

From the offices of the Trade Commissioner Service in Mexico City, Bombay and Washington, D.C., come the following reports that give a picture of the crop, the probable exports, and prices during the harvesting and selling period that is just ending—with some hints on what to expect in the next season.

MEXICO—*A good crop and increased export trade*

MEXICO CITY—Peanut harvesting in Mexico is almost finished; the season started in November and ends late this month. The peanut crop in 1951-52 totalled about 100 thousand tons, according to approximate figures issued by the Secretariat of Agriculture . The 1952-53 crop yield will be considerably smaller, possibly 20 per cent less, but this too is an approximation. It is estimated that one hectare will produce about one and a half tons of peanuts.

Exports of peanuts in 1950 and 1951, in the shell and shelled, are given by the Secretariat of National Economy as follows:

	1950		1951	
	Quantity (gross kg.)	Value (pesos)	Quantity (gross kg.)	Value (pesos)
Peanuts in the shell				
Total	158,784	233,433	41,413	74,501
Canada	158,481	233,056	41,377	74,459
Peanuts, shelled				
Total	9,923,041	17,368,927	15,719,477	28,596,809
Canada	9,528,615	16,653,133	14,725,864	26,906,093
U.S.A.	394,426	715,794	590,385	1,023,684
France	....	....	212,111	339,032
Argentina	....	....	150,000	262,500
Arabia	....	....	21,000	36,750
Belgium	....	....	19,976	27,966

Exports and Prices

Exports of peanuts for the first ten months of 1952 were: shelled: 13,170 metric tons; in the shell: 2,960 metric tons.

Prices during the 1951-52 season ranged as follows:

Peanuts, shelled:

30/34 kernels per ounce:	14.00 to 14.75 cents (U.S.) per pound
36/40 " " "	13.00 to 13.75 " " " "
40/44 " " "	12.75 to 13.50 " " " "
46/50 " " "	12.50 to 13.00 " " " "
60/65 " " "	11.50 to 12.00 " " " "

Peanuts in the shell: 12.25 to 13.25 cents (U.S.) per pound.

68433—1½

Prices quoted are f.o.b. port or border point of exit. It is expected that, during the 1952-53 season, prices will vary between 12 and 15 cents U.S. per pound for shelled nuts according to size and 12 to 14 cents U.S. for peanuts in shell. The estimated quantity of peanuts which may be sold abroad during 1953 is between 15 thousand and 20 thousand metric tons.

There has been a definite increase in both the growing of peanuts and in the processing industries during the past few years. The area under cultivation has increased by more than 100 per cent since 1947 and the yield per acre has gone up some 25 per cent. Parallel with the agricultural developments, a number of new processing plants and mills have been established and the old ones modernized. Industrial processes have been mechanized to a considerable degree and the former makeshift methods replaced by efficient engineering techniques and specially designed equipment, largely imported from the United States. This trend will probably continue. The export trade in peanuts has increased considerably, although not in direct proportion to the increase in production because the domestic market has also expanded.

—M. T. Stewart
Commercial Counsellor for Canada

INDIA—*Canada is leading buyer of Indian crop*

BOMBAY—India leads the world in the production of peanuts and normally supplies approximately ⅔ of world needs (including Indian domestic consumption). This season's crop, harvesting of which began in October, is expected to total 1·9 million long tons, somewhat smaller than in previous years. Principal producing areas are the states of Madras and Hyderabad, together contributing 60 per cent of the annual harvest, and Bombay with 20 per cent. Smaller quantities come from the states of Saurashtra and Kutch, bordering West Pakistan, and from West Bengal.

Most of the peanuts produced in India—and the peanut oil and cake, the products of crushing peanuts—are consumed in the domestic market. The oil is used in the making of ghee (margarine), cooking oils, and Indian confectionery, and the pressed cake for fertilizer and cattle fodder. The finest quality nuts for export come from Bombay State; shipments from Madras are mainly in the form of peanut oil, the yield of which is approximately 40 per cent by weight of kernels.

Sales to Canada

Canada has been the leading foreign buyer of Indian H.P.S. (hand-picked selected) kernels. Imports reached a value of $1·9 million (9,900 tons) and $1·6 million (7,500 tons) in 1950 and 1951 respectively, and $1·7 million (7,600 tons) for the six months ended June 1952. Other important buyers in recent years have been Switzerland, Norway, the United Kingdom, the Netherlands, West Germany and France.

—Indian Information Services

These bags of peanuts at a village market in India are awaiting transport to the coast. Harvesting of the peanut crop begins in October.

The normal period for shipment of these nuts from India, during which there is maximum freedom from insect infestation and deterioration during the long ocean voyage to Canada, is from December to April.

Canada also from time to time buys peanut oil from India. Canadian imports during 1951 from this source totalled $3·88 million, second only to Burma's purchases which traditionally are the largest.

H.P.S. peanuts are generally of two varieties:

- Bold (containing 55 to 60 nuts per oz.), currently f.o.b. Bombay at £90 ($243) per long ton.
- Java (75 to 80 nuts per oz.), for which the prevailing price is £94 ($254) per long ton.

These prices include export duty at the rate of Rs.150 (approx. $30) per long ton. No duty is charged just now on shipments of peanut oil.

Quantities for Export

Under the export trade control policy recently announced, covering the semi-annual period January to June 1953, H.P.S. peanut kernels may be exported to hard currency countries only—more precisely to Canada and other nations in the dollar area. Export of groundnuts for oil crushing is prohibited. Peanut oil, however, may go to all destinations except the Union of South Africa.

An export quota of 40 thousand long tons in terms of oil has been fixed. Each shipper who establishes an allocation has the option of exporting 15 per cent of his allotment of oil in the form of H.P.S. peanuts to dollar countries. This, in effect, means a maximum of 15 thousand long tons of peanuts will be available for export. However, because many of the exporters who have small quotas (particularly in Madras where the

quality of peanuts is somewhat lower than that of the Bombay crop) may prefer to ship the entire quota in the form of oil, the actual figure will be closer to 13 thousand long tons. Allotments for each shipper are fixed at the rate of 22½ per cent of his exports during the basic year, and the minimum is five long tons of oil. During the first quarter of this year, quotas under 75 tons may be shipped in full but only 50 per cent of quotas 75 tons and over may be shipped during this period.

—W. P. Birmingham
Assistant Commercial Secretary for Canada

—A cable from the Commercial Secretary for Canada, Bombay, dated January 23, advises that Indian export control authorities are so interpreting the regulations as to permit shipment of entire H.P.S. portion of quotas during the first quarter—Editor.

UNITED STATES—*Acreage controlled and prices supported*

WASHINGTON—Production of peanuts in the United States increased from 383,875,000 pounds in 1910 to nearly 2½ billion in 1948, with the most rapid growth taking place during the Second World War. The area harvested in 1952 was some 1·5 million acres, producing about 1·3 billion pounds. Average acreage harvested from 1941-50 was 2·9 million acres.

Peanuts are grown in sixteen states of the Union. The production by types is about as follows:

- Virginia, representing about one-third of the total acreage—Virginia, North Carolina, Tennessee and most of South Carolina;

- Spanish, representing a little less than one-third of the total area: Florida, Mississippi, Texas, Oklahoma, California, Arkansas, and small areas in South Carolina, Missouri, Georgia, Louisiana, Alabama and Arizona;

- Runner, representing a little more than one-third of the total area —most of Georgia and Alabama;

- Valentia—New Mexico.

The Runner type, which was introduced in recent years, is gaining in popularity in the states where the Spanish type is normally grown. It is easier for the producer to handle, grows faster than the Spanish type, is more productive and withstands adverse weather better.

In recent years, from two-thirds to three-quarters of the peanuts produced in the United States have been used as human food. The rest have gone into production of oil, been used as seed, or are accounted for in shrinkage or wastage. Of the edible product, about 50 per cent is used for peanut butter, 25 per cent for salted peanuts, and the most of the rest for candy.

About 50 per cent of the peanut butter is produced from Spanish, about 40 per cent from Runner and about 10 per cent from Virginia-type peanuts. About 71 per cent of the salted peanuts are of Virginia type, about 26 per cent Spanish and about 3 per cent Runner. Of the peanuts used in candy, about 75 per cent are of the Spanish type, 16 per cent of the Virginia type, and about 9 per cent of the Runner type. The national average yield of all peanuts is about 780 pounds per acre. The Virginia type averages about 1,200 pounds, the Spanish about 550 pounds, and the Runner about 750 pounds per acre.

Support Prices Fixed

Federal legislation provides for mandatory price supports for peanuts. The price is supported at 90 per cent of parity* until the end of the 1954 crop year. The support prices for the 1952 crop are as follows:

Virginia type (65 per cent sound mature kernels) $231 per ton.

Runner type (65 per cent sound mature kernels) $215 per ton.

Southeastern Spanish (70 per cent sound mature kernels) $236 per ton.

Southwestern Spanish (70 per cent sound mature kernels) $232 per ton.

For each one per cent sound mature kernels above or below the base grade of 65 or 70 per cent, the premium or discount (whichever is applicable) shall be as follows: Virginia type, $3.60 per ton; Runner type, $3.30 per ton; Southeastern Spanish, $3.40 per ton; and Southwestern Spanish, $3.30 per ton.

Production Controlled

Peanut acreage is controlled. Every year a referendum is taken of peanut growers in the different producing regions to learn whether they wish to continue acreage allotments. If two-thirds or more of the growers wish to continue acreage control, all of the growers in the region must comply. This government program establishes an acreage for each of the peanut-growing states and this acreage is broken down by counties and then by farmers. Thus farmers who wish to benefit by price support for their peanuts must grow no more than the acreages allotted to them. If a grower plants more, the surplus does not benefit from the support price.

On November 17, 1952, the U.S. Department of Agriculture announced a national acreage allotment of 1,678,481 acres, with an expected production or "marketing quota" for the 1953 peanut crop of 663 thousand tons. The support price for the 1953 production must be announced by August first of this year.

The national marketing quota of 663 thousand tons for 1953 represents the quantity of peanuts equal to the average quantity harvested for nuts during the five years 1947-51, adjusted for current trends and prospective demand.

---

* Parity prices are the prices of agricultural commodities which will give them a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in the base period—a period when prices paid and prices received by farmers were in good balance.

The outlook for the 1953 crop cannot be determined at this time as planting does not start until March in the most southerly portion of the United States and later in the more northern states. Dry conditions prevailed in many of the southern states up to February first but these conditions may improve before planting.

Support Prices

Up to 1952, support prices were maintained by the United States Government making contracts with peanut shellers for the purchase of peanuts, and the shellers in turn paying the growers for their peanuts in accordance with the support prices. However, the support prices for 1952 peanuts are maintained principally through loans to peanut growers' marketing co-operatives. Although legislation provides that loans may be made direct to individual growers, few if any have facilities for storing peanuts to meet loan requirements and co-operatives with satisfactory storage facilities have been established in all the producing areas.

Exports Lower

Exports of peanuts from the United States during the year ended June 30, 1952, amounted to approximately 8½ million pounds in the shelled form and 2½ million pounds unshelled—altogether about one-quarter of the quantity exported in the previous year. Record export was the 533 million pounds in 1948. Exports dropped to about 93 million pounds in 1949 and have continued to decline ever since.

Stocks of unprocessed or raw peanuts in the United States on January first were 862 million pounds. These stocks were 14 per cent below stocks of last year and the smallest since 1949. The approximate percentage of the different types were: Virginia, 44 per cent; Runner, 37 per cent; Spanish, 19 per cent.

—W. C. Hopper
Commercial Counsellor for Canada

SEED POTATO EXPORTS

Canadian certified seed potatoes have been selling well abroad, the federal Department of Agriculture reports. Almost two million bushels of the 1952 crop were exported up to December 31—compared with less than 1·2 million bushels sold for export in the same period of 1951. These potatoes went to nine countries. The United States was the leading buyer, with over 1·1 million bushels; Cuba, Uruguay and Venezuela took substantial quantities; and the remainder went to the Dominican Republic, South Africa, the British West Indies, and Panama.

Jamaica Buys Canned Meat

KINGSTON—Imports of canned meat into Jamaica have more than doubled over the past 14 years, rising from 637,850 lb. in 1937 to 1,645,218 lb. in 1951. Canada enjoyed a good share of the canned meat trade during the war and immediate post-war period (273,581 lb. in 1945). Because of present restrictions on dollar expenditure, however, imports from Canada dropped to 15,311 lb. in 1951. The bulk of the imports now come from Australia and New Zealand.

This increase of canned meat imports between 1937 and 1951 came about because of the plentiful supplies available to meet the demands of a rising population, with an improved standard of living. Corned beef comprises about 90 per cent of the meat imported; the remainder is made up of canned sausages, pork, potted beef, lunch tongue, etc.

Oblong Tins Preferred

The local trade prefers corned beef in oblong tapered tins weighing 12 oz. and packed in wooden boxes containing 48 cans. Round or flat tins of any size are unpopular and difficult to sell. There are no special labelling requirements and exporters may use their own discretion.

As a rule, Jamaican importers are the sole agents for overseas shippers and purchase for their own account, cash against documents. Price quotations c.i.f. Kingston are preferred.

Imports from Canada

All types of Canadian canned meat are favoured but imports are restricted to allocations permitted under the B.W.I. Trade Liberalization Plan. Only Canadian firms who sold to Jamaica during 1946-47-48 are eligible to participate and sales are limited to 50 per cent of the average value of their exports during these years.

Purchases from sterling countries enter Jamaica without restriction but those from other soft currency areas are restricted to a maximum monetary allocation granted to individual buyers and based on the value of their 1951 imports.

The very limited quantities obtained from Canada under the Plan find ready sale and, under normal trading conditions, Canadian exporters would have no difficulty in selling much larger quantities of canned meats in this market. But prices, of course, would have to be competitive with those of other supplying countries.

—E. M. Gosse
Canadian Government Trade Commissioner (Fisheries)

68433—2

The Floods and the Farmer

How much damage did the recent floods inflict upon Dutch farms, livestock, and crops? This article, dispatched from The Hague on February 19, gives a tentative answer.

THE HAGUE—On the night of January 31 and throughout February high winds buffeted the coasts of Holland and combined with high spring tides to surmount and breach the ancient sea defences. The result was the worst flood in the nation's history. It left in its wake 1,400 dead, 133 thousand hectares of fertile agricultural land inundated, over 65 thousand people homeless, over 100 thousand poultry and nearly 50 thousand head of livestock of all types dead.

Premier Willem Drees, reviewing the disaster in Parliament on February 11, gave his "cautious estimate" of material damage as 1,000 million guilders (about $255 million). But the full extent of the flood's influence on imports and exports, balance of payments, employment, the standard of living and gross national product will be matters of study and speculation for some time.

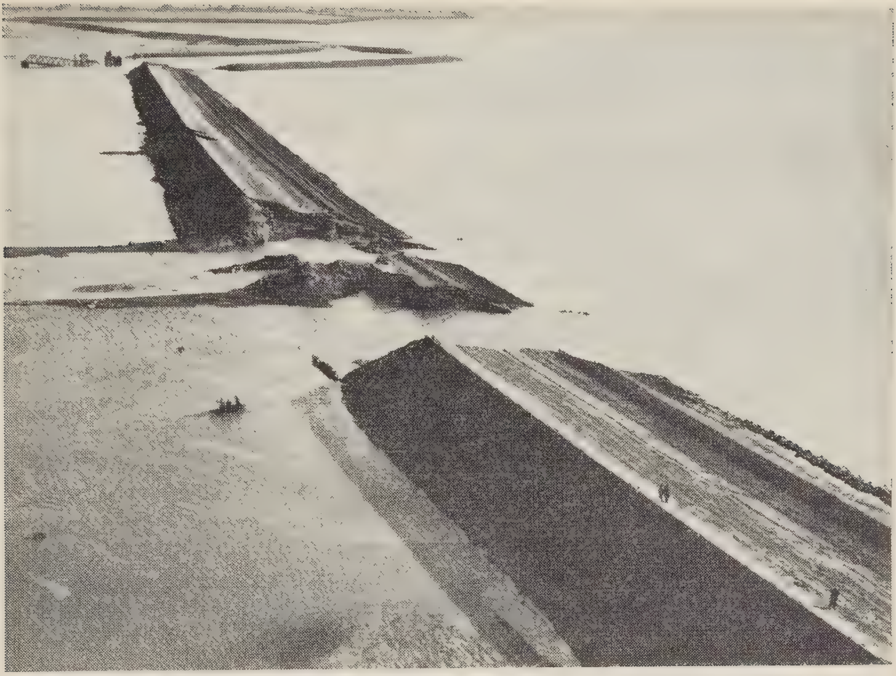
What the Farmer Lost

Initial reports of damage to agriculture have proved to be somewhat exaggerated. Nevertheless, the Ministry of Agriculture has estimated that 133 thousand hectares of farm land were flooded in the three stricken provinces of Zeeland, South Holland and North Brabant. The flooded area constitutes over 25 per cent of the arable land in the three provinces and 5·7 per cent of the total arable land in the Netherlands. Some 82 thousand hectares of this was devoted to field crops, 41 thousand hectares to grassland and 10 thousand hectares to horticultural crops—8·9 per cent, 3·1 per cent and 9·4 per cent respectively of the total area devoted to these crops in the Netherlands.

In the past this area included some of the most fertile soil in the Netherlands and in 1952 produced 7·2 per cent of Holland's grain, 15·5 per cent of its wheat, 17·2 per cent of its barley, 10·1 per cent of its corn, 25·5 per cent of its sugar beets, 23·5 per cent of its fibre flax, 24·9 per cent of its linseed, 11·5 per cent of its table potatoes, 18·6 per cent of its pulses, and 15·7 per cent of its seed onions.

Winter wheat seeded in the three affected provinces in the fall of 1952 for this year's harvest also suffered substantial losses—about 15·9 per cent of the total Netherlands fall wheat crop was affected.

Losses of livestock in the flood were particularly heavy on the Rhine-Schelde estuary islands of Goeree-Overflakkee, Schouwen-Duiveland and Tholen, where between 75 and 90 per cent of all stock were drowned.



This huge gap torn by wind and water in the sea dike near Kruiningen, on the island of Zuid-Beveland, province of Zeeland, gives some idea of the havoc wrought by the recent floods in the Netherlands.

Preliminary official estimates for the three affected provinces indicate losses of 25 thousand head of cattle, 15-20 thousand hogs, 2-3,000 sheep, 1,500 horses and over 100 thousand fowl.

Evacuating the remaining large numbers of livestock from the flooded areas has proved complicated from a veterinary standpoint. Most of the flooded parts were not free from bovine t.b. and many of the cattle in the emergency had to be shipped to t.b.-free areas, including the South Holland island of Voorne-Putten. In addition, there were a few cases of foot and mouth disease in the three provinces before the flood and it is feared that it may spread somewhat in the coming weeks. To prevent this, free vaccine and inoculations were immediately made available for evacuated livestock.

Though livestock losses are extremely serious for the afflicted areas, their proportion of the national total was small. Thus, although cattle owned in the flood area were 13·6 per cent of existing numbers in the three provinces, the number of cattle drowned represented less than one per cent of the Netherlands total. Similarly, hogs lost represented only one per cent.

Officials are concerned about anticipated losses of agricultural machinery and implements. Based on 1950 census figures (which are known to be well below actual numbers in 1953), 218 combines, or 18 per cent of Holland's total, are in the flooded area. Nineteen per cent of the caterpillar tractors, 10 per cent of the wheel tractors, 8 per cent of the transport trucks, 4 per cent of the farm carts and wagons, 3 per cent of the nation's threshing machines and unknown numbers of implements were likewise affected. These figures are based on the 1950 Agricultural Census and are therefore on the conservative side.

68433—2½

Naturally salvage operations will begin as soon as possible and already radio instructions have been broadcast to the flooded areas informing farmers of the best methods of treating recovered machinery. Much will depend on the length of time the machinery is under water and on how salt the water is.

Some 13,388 farms—or 4 per cent of the national total—are estimated as flooded and about 12 per cent of these may have been demolished and another 30 per cent seriously damaged. Add to these the flooded homes in towns and villages—probably close to 50 thousand—and you get some idea of the great reconstruction task lying ahead.

Commodity Losses

So much for the immediate losses and damage. It is even more difficult to estimate the commodity losses from the 1952 harvest. Agriculture Ministry officials believe that a large part of the 1952 harvest had left the farms before the flood but are uncertain of losses sustained in country storehouses. Destruction of government-owned stocks of grains, feedstuffs and oil-bearing seeds were slight but private losses remain unknown. Part of the potato crop remained in field clamps in the flooded area but some of these and also some of the flax crop may be salvaged. Already potatoes have been lifted from field clamps which were submerged in salt or brackish water for a week or more, dried, hand-cleaned and tested, with favourable results. A trial shipment of these potatoes has gone to France.

Apart from such officially sponsored trial shipments, the Ministry of Agriculture has banned temporarily exports of potatoes, hay and straw to safeguard domestic needs until more is known about losses. In addition, maximum prices have been set for potatoes at all marketing levels to prevent speculation and skyrocketing of prices.

Exports and Balance of Payments

After analyzing the available statistics, the Ministry of Agriculture has concluded that exports for the remainder of the 1952-53 season will not be far below pre-flood estimates. Because so small a proportion of the national production of pig meat, poultry and dairy products originated in the flooded area, exports of these commodities should not suffer unduly. Most of the 1952 crops have probably been marketed and shipped from the area; the products which remained, it is hoped, may be saved at least in part.

This official viewpoint has been passed to the Netherlands representatives abroad, with instructions to counter any false information that normal Dutch exports will be unavailable in 1953. It is being stressed that major export products—bulbs, shrubs, flowers, strawboard, potato flour, eggs, fish, confectionery and, to a lesser degree, dairy products—will be virtually unaffected. Meat supplies may be affected more because the flooded districts were well known for their cattle fattening. But this will exert a greater influence on imports of fat cattle—and on the balance of payments—than on exports of meat products.

The most serious effects on exports and the balance of payments will begin to be felt next fall. Areas inundated by salt water will yield little or nothing this year and, if they continue to lie under salt water beyond April, will probably not yield more than 50 or 60 per cent of a normal crop. Experience gained from the protracted immersion of Walcheren

Island after the last war taught that it takes up to four years to make the soil fully productive again. Much will depend upon the extent of spring rains and on how much gypsum there is to apply to salty soils.

Some of the slack in production, particularly of such crops as onions, pulses and horticultural products, is expected to be taken up by expansion in other parts of the country. However, this cannot be done so readily in potatoes, sugar beets, flax, coarse grains and wheat. Taking as a basis the 1952 production of these crops in the inundated areas, it would appear, after some allowance for return to production in 1953, that extra imports of 50 thousand metric tons of wheat, up to 60 thousand metric tons of coarse grain, up to 100 thousand metric tons of sugar will be needed. Substantial numbers of tractors, combines, threshing machines, wagons, trucks, and a wide range of implements and machinery parts will have to be replaced. Tens of thousands of homes will have to be rebuilt or repaired with materials not readily available in Holland. Of the primary construction materials, only bricks are available in quantity domestically.

Dike Repairs and Reinforcement

The islands in the Schelde and Rhine estuaries have been gradually reclaimed from the sea in the past five centuries by a patient process of diking off small areas and pumping out the water to leave habitable sections of land known as polders. Adjoining polders were added gradually by extending outward a maze of secondary dikes, often employed as roads and surfaced in modern times for heavy transport. Beyond these dikes are the great sea dikes—breached over 1950 times in widths ranging from 10 to over 200 yards—and now being feverishly repaired. They have been constructed in more recent times and faced with stone. In the recent storm, both seawalls and inner dikes in many cases were overflowed and eroded, and weakened within by seepage water.

Experience gained in reclaiming Walcheren Island following the war will be invaluable in speeding recovery in the months ahead. Already experts with this experience have been summoned from other tasks to take over this one supremely important one. The Prime Minister has announced in Parliament that reconstruction from flood damage will be placed on the same footing as war damage repairs. Government decrees announced include:

- Immediate organization of dike repair.
- Immediate investigation of methods to prevent repetition of such a calamity.
- Improvement of flood warning and aid services.
- Presentation to Parliament of an emergency bill regulating central responsibility for dike repairs.
- Possible slowing down of the great Zuiderzee project, if necessary, to repair the damage in Zeeland.

For many years a project to enclose the Rhine-Schelde estuary islands with a great seawall has been under discussion. Now people are urging that serious study be undertaken immediately to initiate this project as soon as possible, although the tremendous cost involved is still in doubt.

—C. J. SMALL

Acting Agricultural Secretary for Canada

Britain at the CITF

Enrolling under the banner "Trade not Aid", United Kingdom firms are booking an impressive amount of space at the coming Canadian International Trade Fair. Pride of place at this stage goes to the British Machine Tool Trades Association. Its member firms will be exhibiting machine tools and equipment, marking and woodworking machines, jigs and fixtures, heat treating equipment, etc.

Not far behind come two other trade associations—the Federation of British Hand Tool Manufacturers and the National Federation of Engineers' Tools Manufacturers, which first exhibited as a group in 1950. This year their composite display from some 32 firms (and other individual stands) will cover tools for gardeners, bricklayers, carpenters and mechanics; small tools for engineers; gauges, and precision instruments.

That's not all. U.K. manufacturers of construction, mining and other heavy equipment, of electrical equipment, of office and household machinery and equipment have also reserved space to show their products and thus, they hope, enlarge their markets. Dates of the CITF, June 1-12.

Rhodes Centenary Exhibition

The Rhodesias will mark the 100th anniversary of the birth of Cecil Rhodes by holding a Central African Rhodes Centenary Exhibition in Bulawayo during June, July and August of this year. The Exhibition will be officially opened by Queen Elizabeth, the Queen Mother, who will be accompanied by her daughter, the Princess Margaret.

Every country south of the Sudan will be represented at the Exhibition and most of the major industries in Africa will display their products. Included in the list of exhibitors are the Transvaal Chamber of Mines, General Motors, British Small Arms, Ford Motor Company, Anglo-American Corporation (diamond and copper pavilions) and the Governments of Uganda, Belgian Congo, Tanganyika, Angola, Mozambique, Madagascar, the Rhodesias, and South Africa.

A unique feature of the exhibition will be the holding of three "Periodic Exhibitions", or trade shows, during the main exhibition. An exhibition of Light Industries is scheduled from June 1 to June 20, one of Medium Industries from July 6-July 25, and one of Heavy

Industries from August 10 to August 29. These are for the benefit of firms, especially those from a distance, who cannot spare skilled personnel to man booths for the full period of the exhibition. Space rentals for these trade shows is fixed at one-half the rate for the whole exhibition. The charge for light and medium industries is $2.00 per square foot; for heavy industries, $1.35 per square foot.

Southern Rhodesia is prepared to grant a total of £5,000 in permits for any goods from any non-sterling country and these goods may be sold in the local market after the exhibition ends. Canadian firms interested in exhibiting at either the main exhibition or the trade shows can obtain complete details from the General Manager, Central African Rhodes Centenary Exhibition Ltd., P.O. Box 974, Bulawayo, Southern Rhodesia.

Plastics and Their Applications

The 2nd British Plastics Exhibition and Convention at Olympia, London, will open on June 8 instead of June 3, as previously announced, because of the Coronation. The show will run to June 18. Details can be obtained from *British Plastics,* Associated Iliffe Press, Dorset House, Stamford Street, London, S.E.1.

The convention, running concurrently with the Exhibition, will cover all the most recent important developments in plastics technology and application.

Fair Calendar

Canada

National Motor Show, February 14-21, Automotive Bldg., Exhibition Grounds, Toronto. Also February 28-March 8, Show-Mart Bldg., Montreal.

Automotive Service Show, March 11-14, Automotive Bldg., Exhibition Grounds, Toronto.

Canadian National Sportsmen's Show, March 13-21, Coliseum, East and West Annex, Exhibition Grounds, Toronto.

National Home Show, April 10-18, Automotive Bldg., Exhibition Grounds, Toronto.

Canadian International Trade Fair, June 1-12, Exhibition Grounds, Toronto.

Overseas

London, England: Ideal Home Exhibition, March 3-28, Olympia.

Utrecht, Netherlands: 60th Royal Netherlands Industries Fair, March 17-26.

Lyons, France: 35th International Fair, April 11-20.

Basle, Switzerland: 37th Swiss Industries Fair, April 11-21.

London and Birmingham, England: 32nd British Industries Fair, April 27-May 8, Earls Court and Olympia, London, and Castle Bromwich, Birmingham.

United States

How Agricultural Price Supports Work

Keeping food and fibre production in step with growing needs—that is the U.S. agricultural objective. The means: price supports to ensure an adequate return to the farmer.

WASHINGTON—One of the major components of present U.S. federal agricultural policies is price supports for agricultural commodities.

Supporting the price of farm commodities is said to be essential because food and fibre needs are growing every year as the population of the United States increases at an annual rate of 2½ million. Unless the prices of commodities which farmers produce are maintained at a sufficiently high level, production will not be kept up, domestic consumers will suffer, and exports will decline.

The extensive price support programs of the U.S. Department of Agriculture are carried out by the staff of the Production and Marketing Administration of the department, assisted by the Commodity Credit Corporation and the PMA State and County Committees in all parts of the United States.

Three Classes of Commodities

In implementing the price support legislation, commodities are divided into three classes:

1. Basic commodities. Supports are mandatory at 90 per cent of parity*.

2. Designated non-basic commodities. Supports are mandatory but the Secretary of Agriculture determines the levels.

3. Other non-basic commodities. Supports, if any, are determined by the Secretary of Agriculture.

The four principal methods of maintaining prices at support levels are: one, loans to producers; two, purchase agreements between the United States Government and farmers; three, purchases by the United States Government; four, combinations of one, two and three.

The 1952 support levels, their percentage of parity and the announced levels of support for 1953 for each of the three groups are shown in the table following:

---

* Parity prices are the prices of agricultural commodities which will give them a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in the base period—a period when prices paid and prices received by farmers were in good balance.

Table I—Farm Price Supports, 1952 and 1953

	Announced 1953 levels: Support price to farmers (national average)	Announced 1953 levels: % of parity	1952 levels: Support price to farmers (national average)	1952 levels: % of parity
BASIC COMMODITIES:				
(Mandatory 90 per cent support)				
Wheat, bu.	$2·21	90	$2·20	90
Corn, bu.	1·59 *	90	1·60	90
Cotton (upland) lb.	·308*	90	·309	90
Rice, cwt.	4·93 *	90	5·04	90
Tobacco, flue-cured, lb.	·493*	90	·506	90
Peanuts, lb.	·119*	90	·12	90
DESIGNATED NON-BASIC COMMODITIES:				
(Support mandatory but level is determined by the Secretary of Agriculture)				
Wool, lb.	·528*	90	·542	90
Mohair, lb.	·58 *	78	·542	75
Honey, wholesale, lb.	(to be announced in Mar.)		·114	70
Butterfat, lb.	(" " ")		·692	90
Milk, mfgd., cwt.	(" " ")		3·85	90
Tung nuts, ton	(" " Aug.)		67·20	65
OTHER NON-BASIC COMMODITIES:				
(Support, if any, is determined by the Secretary of Agriculture)				
Barley, bu.	1·24	85	1·22	80
Oats, bu.	·80	85	·78	80
Rye, bu.	1·43	85	1·42	80
Grain sorghums, cwt.	2·43	85	2·38	80
Flaxseed, bu.	3·79	80	3·77	80
Soybeans, bu.	2·56	90	2·56	90
Hairy vetch seed, lb.	·12	..	·1475	..
Ryegrass, com., lb.	·065	..	·07	..
Rough peas, lb.	·06	..	·06	..
Crimson clover, lb.	·165	..	·165	..
Cert. reseeding crimson clover, lb.	·19	..	·19	..
Blue lupine	None	..	·035	..
Common vetch	None	..	·06	..
Williamette vetch	None	..	·06	..
Olive oil	(to be announced in Aug.)		2·50 per gallon	
Hay and pasture seeds	(now in process)		various levels	
Beans, dry edible, cwt.	7·79	87	7·87	85

* Estimated on basis of present parity prices.

Supporting Wheat Price

As an illustration of the methods used to support the price of a commodity, let us examine briefly how wheat prices are supported.

Wheat producers may obtain a loan from the United States Government through the Commodity Credit Corporation, on the basis of the loan value of their wheat. For the crop years 1953 and 1954 the support price or the loan value for wheat is 90 per cent of the parity price. Legislation passed in 1952 fixed this level of support. The Republican Administration which took office in January 1953 has announced that it will continue the legislation which established support prices for all basic commodities—wheat, corn, cotton, rice, tobacco and peanuts—at 90 per cent of parity for the crop years 1953 and 1954.

The support price to farmers of $2.21 per bushel of wheat in 1953 is a national average price for No. 2 wheat. The support price varies from 15 to 20 cents above and below the national average in different localities.

Wheat which has been inspected and held in sealed storage on a producer's farm is eligible for a loan at the full support price level for the particular quality of the wheat and the location of the farm. A wheat producer may also get a loan on his wheat which is stored in a country or terminal elevator. In such cases, the loan is made at the support price less the costs of storage. Each loan has a fixed maturity date and this date is the same for all wheat loans. Loans are made only to the original wheat producer.

Loans Guaranteed

To a large extent the lending agencies of the area where the wheat is located, such as a local bank, make the loan and the interest rate is 3½ per cent a year. The U.S. Government guarantees such loans; the bank gets 2 per cent and the Government 1½ per cent. Banks or other financial agencies using government money may act as agents for the United States Government in granting loans on wheat.

The local Production and Marketing Administration (USDA) County Committee, which is composed of farmers elected to serve on the committee by the farmers of the county, must approve all loans. This committee may make direct loans to wheat farmers of the county by drawing a sight draft on CCC, which constitutes the third method of financing wheat loans to farmers.

A farmer may sell his wheat on which he obtained a loan at any time by paying the principal and interest, or he may turn the wheat over to the Government at the maturity date in full settlement of his indebtedness.

Purchase Agreements

Another device used to support the price of wheat is purchase agreements made between the Commodity Credit Corporation and a wheat producer. Usually it is wheat producers who do not need the cash or who cannot meet storage requirements for loans who use this method of price support. The agreements are made at stated prices, which are at comparable levels to the loan values. Under this arrangement, the producer agrees to deliver a certain quantity of wheat of a certain quality at the maturity date of the agreement. However, the producer may sell the wheat at any time before the maturity date. The Government takes no responsibility for the wheat in purchase agreements. In loans, the Government takes the major risk and responsibility for quality and quantity remains with the producer. Purchase agreements must also be approved by the PMA Committee for the county in which the wheat is located.

Loans and purchase agreements are used in supporting the prices of the other basic commodities—corn, cotton, rice, tobacco and peanuts. Loans and purchase agreements with farmers' co-operatives are most important in supporting the prices of rice and peanuts. No loans are made direct to tobacco farmers, but only to tobacco producers' co-operatives.

Loans are also made to producers of wool, mohair and honey, to support the prices of these commodities which are not considered basic commodities. Loans and purchase agreements are also made with producers of other non-basic commodities such as barley, oats, rye, grain sorghums, flaxseed, soybeans and various kinds of seeds. The Secretary

of Agriculture determines the level of support. The national support price levels shown in Table I for these non-basic commodities were established because of the need for them as feed or for seed.

Government Purchase Programs

For maintaining the prices of perishable commodities at levels which will encourage farmers to continue their production, the Commodity Credit Corporation makes direct purchases from time to time. As indicated in Table I, support prices of butterfat and manufactured milk are mandatory. This is accomplished by actual purchases of butter, cheese and non-fat dry milk solids at the following prices:

Butter:	U.S. Grade A or higher....	67·75 cents per lb.
	U.S. Grade B	65·75 " " "
Cheddar cheese:	U.S. Grade A or higher....	38·25 " " "
Non-fat dry milk solids:	Spray process	17·00 " " "
	Roller process	15·00 " " "

The Commodity Credit Corporation must buy when these dairy products are offered to it at these prices.

The Department may buy other commodities for which price support is not mandatory. It usually makes such purchases when there is a burdensome surplus of a commodity which, if not marketed, would result in a much depressed price to the producers. Usually the purchases are made on a national scale when the producers of a commodity petition the Department of Agriculture to undertake a purchase program. PMA officials study the request and, if they think a purchase program justified, the CCC is given authority to buy.

Buying Methods

Two methods of buying may be used:

- The Department will offer to buy the commodity and the sellers make bids to sell at stated prices.
- The Department will offer to buy the commodity at a certain price.

In 1952, shell eggs, dressed turkeys, canned cherries and certain pork products were purchased in this way. These commodities were turned over to the National School Lunch Program, charitable institutions serving needy persons, or to persons certified by welfare agencies as eligible for relief. The funds for these purchases were obtained under authority of section 32 of Public Law 320 of the 74th Congress. This law provides that an amount equal to 30 per cent of the gross receipts from custom duties of each calendar year shall be made available: (a), to encourage domestic consumption by buying surplus agricultural commodities; (b), to encourage exports; and (c), to increase the use of agricultural commodities by diverting them from the normal channels of trade and commerce.

Indirectly, purchases of agricultural commodities under section 6 of the National School Lunch Act assist in supporting the prices of these commodities. Naturally, the commodities purchased are those with high nutritional value. In 1952 the U.S. Department of Agriculture bought canned peaches, canned tomatoes, canned string beans, peanut butter, cheese and dried beans under section 6.

Export subsidies have been provided by the use of section 32 funds, and these have resulted in raising the volume of exports of certain agricultural commodities. This has indirectly assisted in keeping up the prices of the commodities subsidized. During 1952, for example, subsidies were made available to increase the exports of citrus fruits and dried fruits.

The purchase of agricultural commodities for the benefit of foreign countries through Mutual Security Agency funds has also helped to maintain prices of agricultural commodities.

Administration's Policy

In his State of the Union Message to Congress on February 2, 1953, President Eisenhower referred to the slow, irregular decline in farm prices which has been going on for two years and promised that prices of basic commodities will be supported at 90 per cent of parity until the end of 1954.

He said also—

"We should begin now to consider what farm legislation we should develop for 1955 and beyond. Our aim should be economic stability and full parity of income for American farmers. But we must seek this goal in ways that minimize governmental interference in the farmers' affairs, that permit desirable shifts in production, and that encourage farmers themselves to use initiative in meeting changing economic conditions.

"The whole complex of agricultural programs and policies will be studied by a special agricultural advisory commission, as I know it will by appropriate committees of the Congress. A non-partisan group of respected authorities in the field of agriculture has already been appointed as an interim advisory group.

"The immediate changes needed in agricultural programs are largely budgetary and administrative in nature. New policies and new programs must await the completion of the far-reaching studies which have been launched."

—W. C. Hopper
Agricultural Counsellor for Canada

TRANSPORTATION

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

GENERAL NOTES

CHILE

Plan Tractor Manufacture—Establishment of an industry to produce 30 tons of special steel daily suitable for the manufacture of motors and other transport implements is supported by the Minister of Economy. Preliminary talks have been held with a representative of the German Daimler-Benz Company and within two years it may be possible to manufacture low-priced trucks, tractors, jeeps and probably some type of economic automobile. The initial annual production of tractors would be 600—Santiago, February 11.

JAPAN

Higher Income for Gold Producers—Effective February 2, 1953, Japanese gold producers will be permitted to sell two-thirds of their output as non-monetary gold for private purposes. The other third will be taken by the Government at reduced rates. This will reverse the current sales ratio of two-thirds to Government and one-third to the trade—Tokyo, February 2.

NETHERLANDS

Bovine T.B. Control—Holland's five-year plan for eradication of bovine tuberculosis, inaugurated in May 1951, is running well ahead of schedule. Although less than two years have elapsed, over half of the originally infected 9,000 farms have been declared free of the disease—The Hague, February 9.

UNITED KINGDOM

External Trade in January—United Kingdom exports in January (which contained one more than the normal number of working days) were valued at £217·9 million, and imports £290·1 million. Both totals exceed the figures for the last quarter of 1952, when average monthly exports amounted to £209·7 million and imports to £263·9 million.

The surplus of imports over total exports in January was £62·1 million, considerably more than the average of £44·8 million during the fourth quarter of 1952.

Exports to Canada last month decreased by £400 thousand to £11·9 million, as compared with the final three months of last year. Exports to the United States increased by £300 thousand to £13·1 million—London, February 13.

Boston: Nerve Centre of New England

A concentrated population, high purchasing power, great financial assets and a busy port make Boston a customer which Canadian exporters find well worth cultivating.

BOSTON—We Canadians think of Boston as a treasure house of American history and as a focal point for educational, cultural and scientific institutions. But are we fully aware of its tremendous commercial importance? Let's take a second look at some highly interesting facts.

In buying power New England exceeds all but one of the other eight geographical areas of the United States. Boston's effective buying income is more than double the average for 200 of the nation's leading cities; the income of the metropolitan area is three times greater. No community in the country boasts a higher standard of living. Effective buying power per family is $6,034 and per capita bank deposits are 40 per cent above the national average.

The "Multi-Metropolitan" Area

Surrounding metropolitan Boston on three sides are four other sections which, combined with greater Boston, form the multi-metropolitan area with a population of over 4½ million. These are Lawrence-Lowell-Haverhill to the north, noted for textile manufacturing; Worcester on the west, heavy industry and machinery centre; to the south, New Bedford-Fall River, the old whaling and textile area, now experiencing a rapid transition to newer industries; and the Providence metropolitan area, widely known as a producer of tools, precision instruments and jewellery.

This integration of mutually supporting economic communities is the greatest in the country.

Great Wholesale Market

Boston is one of the biggest wholesale markets and distributing centres in the United States. It stands out particularly in sales of fresh fruits and vegetables, manufactured food products, sea food, clothing, shoes, furniture and lumber. It is also active in the distribution of dry goods, machinery, paper products, jewellery, sporting goods and petroleum products. It is a great sugar refining centre and the world's largest wool market. As the marketplace for New England's 9·3 million people, Boston rings up wholesale sales to the tune of $4½ billion a year.

Canadian products passing through this market include newsprint, Christmas trees, vegetables, fruit, fish products, eggs and poultry, hay, handicrafts and novelties, lumber and wood products.

Boston's wholesale trade in food products amounts to over $600 million a year. It is the third largest receiving point in the United States for fresh fruits and vegetables, one of the world's greatest potato markets,

and a leading meat-packing centre. The first cargo of bananas ever shipped to North America was landed in Boston and the city continues to hold its place as a leading banana market.

Boston also leads in the production of bread and bakery products and is the second ranking receiving port in America for fresh and frozen sea fish. The world's greatest cranberry-growing area, producing 60 per cent of the U.S. crop, is within a few miles of the city.

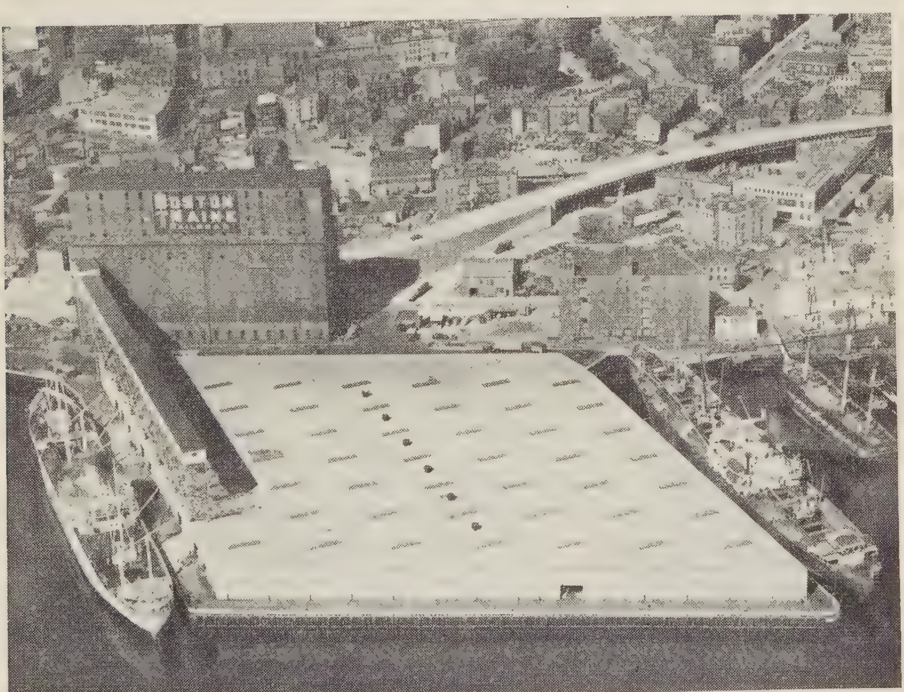
The Boston area is also a leader in the food manufacturing industry, particularly for confectionery, bakery goods, sugar refining, beverages, meat packing and chocolate and cocoa products.

Concentrated Manufacturing Area

A little more than 51 per cent of all Massachusetts manufacturing firms are situated in the Boston metropolitan area. The latest survey reveals some 5,400 manufacturing plants employing over 271 thousand workers. Their payroll totals $753 million a year.

Among the principal products of these factories are: shoes, leather and products; processed foods; electrical and other machinery; printed material, magazines, books; chemicals; apparel; fabricated metal goods; rubber goods; paper and products; transportation equipment, and textiles.

A leading financial centre in pre-Revolutionary days, Boston is still one of the United States' financial strongholds. Today it ranks fourth among American cities in bank clearings and is the headquarters of the First Federal Reserve District. One survey indicated that 30 per cent of the total assets of all investment trusts in the United States are managed



—Lawrence Lowry

Hoosac Pier, in the Port of Boston, was completed about two years ago at a cost of $5 million. It was the first step in a port modernization program.

by Boston organizations. The city now leads the nation as financial backer for research organizations engaged in the development of new processes and products.

Transportation Services

The port of Boston enjoys an unusual advantage because it is near many of the world's trading centres. More than 100 steamship lines operate through this port; it contains 259 piers and docks, equivalent to 30 miles of berthing space.

The Port of Boston Authority has embarked on a comprehensive plan to modernize the terminal facilities. This plan includes five impressive wharf construction projects at a total cost of some $35 million. Two of the projects have been completed and work is well along on a third.

Logan International Airport, within two miles of the main business section of the city, is the major American airport nearest to Europe and is equipped with the longest runways of any commercial airport. Eleven airlines, domestic and international, provide passenger and freight services to all parts of the world. Logan Airport is the southern terminal for T.C.A.'s Boston and Maritimes service.

Three major railroad systems with excellent connections for Canadian destinations provide quick freight and passenger service to and from Boston and throughout New England. Boston's two principal railway terminals handle some 32 million passengers each year.

In keeping with greater Boston's wealth and high living standards, consumer demand is highly selective. The importance of careful pricing, excellent quality and modern and effective packaging cannot be overstressed. Naturally, high quality products from every part of America and from abroad are competing for a share in this enormous market and exporters should be prepared to advertise their products appropriately.

Canadians enjoy an important advantage over their competitors in this market, however, because an estimated 400 thousand people of Canadian origin make their homes in the Boston area. Nowhere in the United States are Canadians better known and understood. There isn't a better or more friendly customer so close to home.

—D. H. Cheney
Vice-Consul for Canada and Assistant Trade Commissioner

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

COMMODITY NOTES

AUSTRALIA

Minerals—The Australian mining industry is increasing its production of most metals, though output is still below immediate postwar levels. Exceptions are copper, zinc and lead.

According to the Commonwealth Statistician, gold production for the first half of the fiscal year ending June 30, 1953, increased 2·7 per cent over the same period last year, iron production by 4·5 per cent, silver production by 4 per cent, and the production of tin by 6·7 per cent. Output of copper compared with last year was down by 7·4 per cent, lead by 7 per cent and zinc by 1·9 per cent.

Australia's drive to meet the sulphur shortage for agricultural industries through home production continues successful. For the first half of the current production year, the output of sulphur was 7·8 per cent greater than for the same period of the previous year, and 31·1 per cent above prewar—Melbourne, February 2.

BRAZIL

Penicillin—The largest penicillin plant in South America has been opened at Santo Andre in the State of São Paulo. Controlled by Rhodia Brasileira, the equipment for it cost Cr$40 million and the factory is reputedly one of the best in the world. Production by April 1953 may be one trillion international units and this is expected to cut Brazilian purchases abroad by Cr$200 million a year—São Paulo, February 10.

CHILE

Watermelons—After a series of experiments, a Japanese fruit grower has succeeded in producing a watermelon without pips. A number have been presented to the President of the Republic through the Japanese Minister—Santiago, February 11.

NETHERLANDS

Bacon—Discussions in London on January 30 between the Netherlands Minister of Agriculture, Fisheries and Food and the British Minister of Food were inconclusive. The Dutch Minister pressed for an increase in bacon deliveries to the U.K., pointing out that the Dutch

bacon industry had been expanded greatly since the war to meet British requirements and that any reduction in exports would cause serious economic difficulties in the Netherlands.

The British Minister stated that the U.K. continued to be interested in obtaining as much Dutch bacon as possible, but that British capacity to import depended on her balance of payments position. The British Minister undertook to review the situation later this year with a view to speeding imports if possible, but could promise nothing definite. However, he suggested early establishment of 1954 minimum deliveries.

Although the present bacon contract (which runs until January 2, 1954) was only signed in the first week of November 1952, by the end of January approximately one-third of the total contract of 35 thousand long tons had been delivered. Hog deliveries for bacon production are maintaining the heavy rate of the past few weeks—The Hague, February 4.

SPAIN

Transport Vehicles—The Spanish company, Babcock and Wilcox, Bilbao, has been authorized to manufacture 1,000 trucks a year which will be equipped with four-cylinder 70 h.p. diesel engines and will have a loading capacity of four tons. Production should begin within the next six months—Madrid, February 16.

UNITED STATES

Orange Powder—A new process for making powdered orange juice, announced by the U.S. Department of Agriculture recently, yields a product that stores well under severe conditions and makes an attractive, fresh-flavoured beverage when reconstituted with water. The new product is not yet available commercially.

An attractive characteristic of the new powder is its ease of reconstitution. A measured quantity of the powder dropped into a glass of water (even ice water), dissolves immediately and remains dispersed in the water without settling out. The colour is that of fresh orange juice. Tasters have uniformly praised the flavour as that of natural orange. Nutritive factors, such as vitamins A and C, are well preserved, even after prolonged storage—Washington, D.C., February 20.

WEST GERMANY

Silk—In 1952 production of the West German silk industry amounted to 200 million metres of synthetic and natural silk, valued at 600 million D Marks. Despite the unfavourable market conditions which followed the Korean boom, total production equalled that of the previous year. Earnings, however, decreased by approximately 114 million D Marks as compared with 1951 because in June 1952 prices returned to the pre-Korean price level. Silk exports for 1952 are estimated at at least 50 million D Marks and may reach as high as 60 million, as compared with 50 million D Marks in 1951. A normal business year is expected in 1953—Bonn, February 11.

The Market for Canadian Wheat

Since 1950, our wheat sales to the Japanese have been growing. This demand should continue as long as consumption outstrips domestic production, but competition is keen.

TOKYO—Today Japan ranks as one of Canada's most important wheat markets, buying Canadian hard wheat in substantial quantities. Many Japanese flour mills prefer Canadian hard wheat and it has already won a good reputation in the baking trade.

The demand for wheat is growing steadily and Canada has an excellent opportunity to step up her sales in this market. The consumption of bread is about three times that of prewar; the consumption of noodles, biscuits and pastry has also grown; flour is being more widely used for home baking. The rising demand for wheat products in Japan stems in part from the rapid growth in population but the changed food habits of the Japanese is the most important contributing factor. The younger adults and the teen-agers have developed a taste for bread and other wheat products and, from present indications, these products will continue to gain in popularity.

Wheat Imports High

Japan's wheat production has gradually increased to the present 1·5 million metric tons a year. This, however, is far short of present requirements of some 3·5 million metric tons a year. Imports now average 1·75 million metric tons a year, considerably over the 600 thousand ton average for 1926 through 1935.

The United States has been the leading supplier of wheat to Japan since the end of the war and wheat imports financed by the U.S. accounted for most of the Japanese wheat purchases in the first four years of the Occupation. As the country's foreign exchange earning capacity grew, she began to buy wheat from other sources. Canada entered the picture in 1950, with substantial sales to Japan.

Imports of wheat into Japan in the years 1949, 1950 and 1951 were:

Country	1949	1950	1951
	(in 1,000 metric tons)		
United States	1,874	966	1,127
Canada	....	125	420
Argentina	....	220	24
Australia	33	209	68
Others	....	25	18
Totals	1,907	1,545	1,657

Wheat imports from the United States for the first eight months of 1952 totalled 1,017,890 metric tons; imports from Canada in the same period, 334,590 metric tons.

Wheat has long been a leading Japanese crop from the standpoint of both production and consumption. Wheat ranks next to rice in importance and the Government in its five-year plan for increased food production, now under way, has given high priority to increased wheat output. The five-year plan proposes to make available additional arable land through irrigation and to intensify cultivation in present wheat-growing areas by using the latest agricultural techniques. The program—which is fairly ambitious and will be costly—seeks to lessen Japan's dependence on imported foodstuffs which currently account for one-third of yearly imports. Until the plan is completed, Japan will continue to import substantial quantities of wheat and barley.

The acreage and production of wheat in Japan during 1949-51 were:

Wheat Production

Year	Acreage under cultivation	Production (1,000 metric tons)
1935-44 average	1,950	1,390
1949	1,624	1,302
1950	1,881	1,319
1951	1,812	1,467

Flour-Milling Capacity

There are more than 3,000 flour mills in Japan with an estimated capacity of over 250 thousand barrels a day. Production ranges from 10 to 6,000 barrels a day. Many of the smaller mills were established in rural areas as a wartime expedient to cope with serious transport problems. These mills are now finding it very difficult to compete with the larger producers. The four leading flour-milling firms in Japan operate a combined total of 32 mills with an aggregate daily capacity of 45,651 barrels. The larger mills have modern milling machinery, storage and unloading and loading facilities. Their operations compare favourably, in efficiency and cost of operation, with leading flour mills elsewhere.

Production and consumption of wheat flour in Japan in 1949, 1950 and 1951 were:

Flour Production and Consumption

Year	Production	Consumption
	(in 1,000 metric tons)	
1949	1,928	1,990
1950	2,203	2,203
1951	2,000	2,300

Flour production for 1952 was about three million metric tons.

The critical food situation after the war was met in part by the import of wheat flour financed by the United States, as mentioned earlier in this article. By 1945 the output of flour in Japan had declined to 59 thousand barrels a day because of war damage and wheat imports had been sharply reduced. The increased consumption of flour and other wheat products, including animal feeds, which developed after the war provided an incentive to the flour mills to rehabilitate their plants. The demand for animal feeds continues to grow because the demand for meat, dairy and packing-house products is increasing. Japanese flour is also finding a market in Formosa, Korea and Okinawa and Japanese flour producers are endeavouring to fill the needs of the monosodium glutamate manufacturers. The

flour output in Japan will probably be gradually raised to meet the rising demand and the Japanese milling industry seems able to achieve the necessary expansion.

Despite efforts to raise the level of local wheat production, it is doubtful whether the present and anticipated demand can be met from domestic production. Large wheat imports into Japan will probably continue for many years and the prospects for increased sales of Canadian wheat there in the immediate future are bright. Canadian wheat has been competitive in quality and price and the percentage of flour extraction, according to one of the leading mills, is higher than with most other imported wheats. The blending qualities of top grades are described by the milling trade in Japan as excellent, and, because the Japanese type is largely soft winter wheat, blending is an important consideration.

The Canadian exporter, however, should realize that Japan is a highly competitive wheat market and bidding for the available business is keen. Imported wheat purchases are handled by private trading firms but sales are made to one source—the Food Agency of the Department of Agriculture and Forestry, which also controls the distribution of imported wheat to the mills. Though there is a strong demand for Canadian wheat, Japan's ability to purchase depends upon the dollars available. Fortunately at the moment the dollar position is satisfactory.

—J. C. BRITTON
Commercial Counsellor for Canada

TRADE AND TARIFF REGULATIONS

CUBA

Documentation Requirement Suspended—The Cuban Government has extended until May 10, 1953, the suspension of the requirement that all exports to Cuba be accompanied by a copy of an official customs export declaration. In the case of Canadian exports, this requirement would be fulfilled by supplying an extra copy of the Canadian customs form B-13, duly certified by Customs Office at the port of exit from Canada for each shipment and visaed by the Cuban consul at the Canadian port of shipment.

SOUTH AFRICA

Timber and Packing Cases—The South African Government is taking every possible precaution to prevent the introduction in South Africa of the fungus disease of timber known as "white pocket rot". Lumber and crates infested with bark beetles or white pocket rot have been

intercepted at Durban and Cape Town. As a result, there was serious delay in the delivery of the goods with consequent heavy demurrage charges and the added cost of disinfestation of the crates.

The Office of the High Commissioner for the Union of South Africa has asked that the attention of Canadian manufacturers and exporters be drawn to these regulations to ensure that no insect-infested or diseased timber, or timber to which bark is adhering, be exported to South Africa, and that wood of this type not be used in the construction of packing cases or crates. The regulations are of some years' standing but are very specific in stating that timber or wood shall not be introduced into South Africa if there is any bark adhering to it or if there is any infestation with insects or fungi.

TRINIDAD

Licensing Announcement—In a notice of February 5, importers in Trinidad were reminded that the issue of an import or export licence does not exempt the holder of such licence from compliance with the laws of the colony relating to plant and animal protection, dangerous drugs, antibiotics or any other laws.

UNITED STATES

No Tariff Increase on China—The U.S. Tariff Commission has now issued a report on its escape-clause investigation of certain kinds of household china tableware, kitchenware, and kitchen and table utensils. The Commission's report states that imports are not causing or threatening serious injury to the domestic industry producing like or directly competitive products. Therefore the Commission has made no recommendation to the President for the withdrawal or modification of the duty concessions applicable to these products—Washington, February 12.

Imports from Formosa—On February 5, 1953, the United States Treasury Department announced a further modification of the Foreign Assets Control Regulations. The purpose of this change is to facilitate the export of goods of legitimate Formosan origin to the United States and, at the same time, to prevent exports from Communist China entering the U.S. disguised as products of Formosa.

Under an agreement made with the U.S. Treasury, the Chinese Government in Formosa will issue certificates of origin to exporters of goods of Chinese type produced on Formosa which are subject to the Foreign Assets Control Regulations and which might otherwise be barred. Shipments consigned to Canadian importers through U.S. territories will be treated in the same manner as those going to U.S. importers.

At present, the Government of China authorities on Formosa will issue certificates of origin only for water chestnuts and sea-grass squares. However, it is expected that, in the near future, they will be prepared to issue such certificates for other Chinese-type commodities produced on Formosa—Washington, February 10.

Cotton Textiles Quota—The Venezuelan import quota for cotton textiles has been announced for 1953 and amounts to 4,250,000 kilograms. The original import quota for 1952 was 3,000,000 kilos, but it was increased in July and October by additional quotas of 500,000 kilos each.

Textile importers are allocated 2,900,000 kilograms and the remainder will be purchased directly by the clothing manufacturers.

Import licences will be issued by the Venezuelan Department of Development to importers of these textiles—Caracas, February 10.

Food Registration Requirement—The Venezuelan Department of Health and Social Welfare has given notice that, as from May 31, 1953, all food products in bulk containers must show on arrival in Venezuelan ports the following information in the Spanish language, either incorporated into the label or firmly attached to the container as an additional sticker or tag:

(*a*) The common name of the product, i.e., flour, oatmeal, spray skim milk powder.

(*b*) The name of the manufacturer, broker, or exporter (this to be interpreted as the name of the company responsible for the product).

(*c*) The net weight in the metric system.

(*d*) The phrase, Registrado en el Ministerio de Sanidad y Asistencia Social bajo el número ....*

The registration required in (*d*) above can be obtained by submitting the following to the Sección de Registro de Alimentos, Ministerio de Sanidad y Asistencia Social, Avenida Bolívar, Bloque Sur, Caracas:

(1) Three samples of the product (for flour, each sample to be two kilograms; for other products, one kilogram).

(2) Three samples of the empty container when it is a paper or cloth sack, or carton. When it is a large wooden, fibre, or steel container, a full description in Spanish in triplicate together with a photo of same will be a satisfactory substitute.

(3) A statement from the Department of Agriculture or the Department of Health and Welfare officials in Canada, that the product is manufactured on inspected premises and can be freely sold in the country of origin.

(4) Three samples of the sticker or additional label if the required information is not shown on the container or normal label.

With regard to the common name in Spanish, there is no need to translate the trade name also, e.g., Black Rose flour may be restricted to "Harina" the Spanish word for flour.

There is no charge for the registration of bulk foodstuffs with the Venezuelan authorities.

---

* These words, meaning registered in the Department of Health and Social Welfare under number ....., may not be abbreviated in any way according to the new provisions.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalents multiply by 1·0204.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Feb. 19*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1307	
		Basic buying	·1960	(1)
		Preferential selling	·1960	
		Basic selling	·1307	
		Free	·0705	
Austria	Schilling		·04587	
Australia	Pound		2·2110	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01960	
Bolivia	Boliviano	Official	·01633	tax 5% (1)
		Differential	·00975	tax 3% (2)
British West Indies	Dollar		·5758	(3)
	Pound		2·7637	(4)
	Dollar	Brit. Honduras	·6909	
Brazil	Cruzeiro		·05297	tax 8% (2)
Burma	Kyat		·2073	
Ceylon	Rupee		·2073	
Chile	Peso	Official	·03156	(1)
		Commercial	·01632	
		Free	·00891	
Colombia	Peso	Basic	·3920	tax 3% (2)
		Coffee buying	·4257	
Costa Rica	Colon	Official	·1749	(5)
		Free	·1463	*Nov. 28
Cuba	Peso		·9800	tax 2%
Czechoslovakia	Koruna		·01960	
Denmark	Krone		·1419	
Dominican Republic	Peso		·9800	
Ecuador	Sucre	Official	·06534	(6)
		Free	·05658	
Egypt	Pound		2·8141	
Fiji	Pound		2·4899	
Finland	Markka		·00426	
France	Franc		·00280	
French Africa	Franc		·00560	
French Pacific	Franc		·01541	
Germany	D Mark		·2333	
Greece	Drachma		·000065	
Guatemala	Quetzal		·9800	
Haiti	Gourde		·1960	
Honduras	Lempira		·4900	
Hong Kong	Dollar	Free	·1610	*Feb. 6
Iceland	Krona	Official	·06018	
		Special buying	·04628	
		Special selling	·03759	
India	Rupee		·2073	
Indonesia	Rupiah	Basic	·08596	
		With Surcharge I	·04298	(7)
		With Surcharge II	·02865	
		Dollar certificate	·00183	*Dec. 15

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Feb. 19	Notes (See below)
Iran	Rial	Certificate I	·01121	*Jan. 7
		Certificate II	·01115	*Jan. 7
Iraq	Dinar		2·7637	
Ireland	Pound		2·7637	
Israel	Pound	Basic	2·7440	
		Special	1·3720	
		Investment	·9800	
Italy	Lira		·00157	
Japan	Yen		·00272	
Lebanon	Pound	Free	·2734	*
Mexico	Peso		·1133	
Netherlands	Guilder		·2579	
Netherlands Antilles	Guilder		·5197	
New Zealand	Pound		2·7637	
Nicaragua	Cordoba	Effective buying	·1485	(8)
		Official Selling	·1390	
		With Surcharge I	·1217	
		With Surcharge II	·0975	
Norway	Krone		·1372	
Pakistan	Rupee		·2962	
Panama	Balboa		·9800	
Paraguay	Guarani	Basic	·06534	(1)
		With Surcharge I	·04666	(9)
		With Surcharge II	·03266	
Peru	Sol	Certificate	·0620	
Philippines	Peso		·4900	tax 17% (2)
Portugal	Escudo		·03410	
El Salvador	Colon		·3920	
Singapore & Malaya	Straits dollar		·3224	
South Africa (Union of)	Pound		2·7637	
Spain & Dependencies	Peseta	Basic buying	·04475	
		Basic selling	·08734	(1)
		†Basic commercial selling	·05966	
		Free	·02472	
Sweden	Krona		·1894	
Switzerland	Franc		·2286	
Syria	Pound	Free	·2613	*Dec. 15
Thailand	Baht	Official	·07840	(1)
		Free	·05729	*Nov. 28
Turkey	Lira		·3500	
United Kingdom	Pound		2·7637	
United States	Dollar		·9800	
Uruguay	Peso	Official	·6452	
		Basic buying	·5505	
		Special buying	·4170	(1)
		Basic selling	·5157	
		Special selling	·4000	
Venezuela	Bolivar		·2925	(10)
Yugoslavia	Dinar		·00327	

* Latest available quotation date.
† Since the "Basic selling" rate is for State purchases only, we are now also quoting the "Basic commercial selling" rate.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective rate for all Indonesian exports to dollar area is basic rate plus 70 per cent of dollar certificate rate. Cost of imports is increased by full amount of dollar certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to all Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

foreign trade

MARCH 7, 1953

The U.S. Economy in '52 (page 2)

foreign trade

VOL. 13 OTTAWA, MARCH 7, 1953 NO. 323

COVER . . . The Capitol at Vashington, with the great lome illuminated against the ight sky, serves to introduce report by the Commercial Counsellor at the Canadian mbassy on the business picure in the United States in 952—and the outlook for he months ahead. (See page wo).

—Harris & Ewing photo

Published weekly by the Department of Trade and Commerce, under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

United States

Reviewing the Business Year

This report from our Washington office reviews major developments in the U.S. last year; takes a look at what 1953 may bring.

WASHINGTON—The year 1952 was one of relative economic stability in the United States. Pressures stemming from the Korean episode subsided and the creation of defence mobilization facilities and defence production were carried on against a prosperous background. That the country has the ability to maintain a high and adequate civilian industrial output to meet the sustained growth of its economy and, at the same time, carry an unprecedented peacetime defence burden, became evident in 1952. That production for national defence is part and parcel of the U.S. economy, possibly for many years to come, is now an accepted fact.

Industrial production, nurtured by defence and industrial expansion, reached a new postwar peak in December. The trend at the year's end was still slightly upward. Stock market prices rose to a new peak. Wholesale commodity prices, however, which reached an all-time high in early January, weakened somewhat and by the middle of December declined overall by about 15 per cent. The post-Korean excess accumulation of materials and inflation of inventories by all branches of trade was liquidated during the year. Fear of a serious shortage, even on a broadened defence production and mobilization base, vanished. Retailers' inventories declined by an average 2·6 per cent during the last half of the year, ranging from 0·1 per cent for hard goods to 8·2 per cent for textiles. As the November election approached, it was apparent (as well as politically expedient) that a large number of the material and price controls could be abolished or modified without undue harm to the nation's economy.

- **INDUSTRY**

One of the astounding developments of the year was the steel industry's resilient rebound to full production following the serious two-month strike in June and July. Even with a loss in production of some 18 million tons of steel, output for the whole year amounted to 93 million tons, as compared with 105 million tons in the record year 1951. The steel industry continued its expansion program towards a capacity of 120 million tons a year.

In the building and construction trades, only commercial construction suffered appreciably in 1952. Following relaxation of credit restrictions, housing picked up toward the latter end of the year and established its second highest record. Official and government building was maintained throughout the year.

FINANCE

Federal financing policy in 1952 brought a further increase in the national debt to meet a deficit of about $6 billion, which was planned instead of higher taxation to meet expenditures during the fiscal year 1952-53 of $74·6 billion. Of this amount, $44·4 billion was earmarked for the military services. Military and economic assistance was budgeted at $5·8 billion, but actual expenditures are likely to be about $5·5 billion or 10 per cent higher than similar outlays for the previous year. There was strong evidence, apart from the election results, that under a "guns and butter economy" the taxpayer expects future budgets to be based on a "pay-as-you-go" principle, involving lower government outlays

PRIVATE SPENDING

During the fourth quarter the national income, reflecting the high level of employment and increased wage rates, reached $300·2 billion. Private spending in 1952 was at about the same rate as in 1951, with a noticeable increase in savings, especially from the third quarter onwards. Consumer credit, however, expanded toward the end of the year following a relaxation in controls; by December 31 it stood at a record level of $23·975 billion. The greatest increase was in instalment buying credit, especially for consumer durable goods. In spite of such increases, however, 1952 seems to have been a year of caution for the consuming public in general. At the year's end, the evidence concerning future consumer demand was mixed and contradictory.

AGRICULTURE

The 1952 crop production was the second largest in history in spite of drought in many areas of the country. The quality of the principal crops was generally excellent. Grain supplies will be ample to feed farm animals until the 1953 crops are harvested, although there are some shortages of hay.

Farm Population

There were 94 million head of cattle on farms on January 1, 1953, compared with 88 million a year earlier. The present number is an all-time record. Milk cows numbering 24 million head on January 1 represent a 3 per cent increase over January 1, 1952—the first increase since 1945. Milk heifers and heifer calves increased more than milk cows. The number of hogs on farms on January 1, 1953, was 14 per cent less than in January 1952. The 54·6 million head on January 1, 1953, compares with 63·6 million a year earlier and 63·8 million for the 1942-51 average. Sheep showed little change. During 1952, horses on farms declined 11 per cent and mules 8 per cent. This is a continuation of the decreases which have been occurring for many years. On January 1, 1953, there were 8 per cent fewer turkeys and 4 per cent fewer chickens on farms than in the previous year. In spite of a larger aggregate number, the total value of livestock and poultry on January 1, 1953, at $14·9 billion was 24 per cent below the record value of $19·6 billion in 1952.

Total assets of U.S. agriculture, including assets of farmers, were valued at about $172 billion on January 1, 1953. This was 2 per cent above the valuation one year earlier but considerably below the increases of 12 per cent in 1950 and 9 per cent in 1951.

The Sales Picture

The volume of marketings of agricultural commodities is running higher than a year ago, but prices are about 11 per cent lower. Large quantities of butter, cheese and dried skim milk are being accepted by the Commodity Credit Corporation, and larger quantities of agricultural commodities are now under government loans than at this time last year.

Total exports of farm products were down about 30 per cent during the second half of 1952, compared with the same period of 1951. This was chiefly the result of reduced exports of cotton and wheat. But exports of fruit, fats and tobacco were also smaller. With larger supplies of farm products and smaller exports, carryover stocks of wheat, cotton, corn and some vegetable oils are likely to increase in 1953.

With prospects of some further easing of prices received by farmers and continued large marketings, the farmers' cash receipts in 1953 are not likely to exceed those of 1952. Cost rates to farmers for most commodities used in farm production and farm wage rates are likely to rise gradually during 1953. Also, interest and tax charges are expected to be higher. As a result, the farmers' realized net incomes are expected to be somewhat smaller in 1953 than in 1952.

• BUSINESS

The most important economic impact of the Presidential election was the renewed confidence which the results brought to a highly taxed and moderately restricted business community. By the end of the year there was increasing evidence of a revival in those few branches of industry which had suffered temporary setbacks during the year.

In spite of the uncertain international outlook, the country ended the year in a more optimistic business frame of mind than it has had for some time. The danger is that business may expect too much too quickly from the new Administration.

Policy Changes

Undoubtedly many changes will take place in Washington in 1953 which will affect the business and economic climate not only of the United States, but of most other countries as well. The President's State of the Union message, delivered to Congress on February 2nd, was the first practical application of the changed political leadership in this country. Aside from the concern and anxiety caused by the President's statement of policy with respect to Formosa, his message to Congress was well received. It was, indeed, far more liberal in its treatment of foreign trade relations than was expected in some quarters. Contrary to expectations, he made specific reference to the necessity of early passage of the Customs Simplification Bill, which has been before Congress for two years, and to the extension of the Reciprocal Trade Agreements Act. The

President's injunction does not necessarily insure either the passage of these important pieces of legislation or that they will be in the most desired form. Hopes for the early passage of these bills, however, have been greatly buoyed.

Ceilings and Controls

One of the first tangible results of the new Administration's policy has been the almost complete abolition of price ceilings and the reduction of the Controlled Materials Plan (CMP) to a mere shadow of its former self. The further relaxation of business controls in the near future and the unlikelihood of the re-enactment of the Defence Production Bill seem assured.

● PROSPECTS

Efforts to bring the budget more nearly into balance may be offset by Congressional determination to reduce taxes, but a general revamping of the huge government machine, and the elimination of some services and overlapping, will at least reduce government expenditure. The effect of this on business is difficult to forecast. Most observers believe that for the first nine months of 1953 business and economic conditions will remain good, with business activity continuing at or near the high level of the past year. Even though there are encouraging signs of increasing recognition of the more liberal role this country must play—in two-way trade for example—the road in that direction is strewn with obstacles and cluttered with possible detours which may make the going slow.

The year 1953, therefore, may not be an entirely satisfactory one from this point of view. It will be important, however, since the kind of policies which take root will determine the eventual economic health of the free world and condition the background for improved international trade. Much may depend on whether the Government adopts the recommendations of the Bell Committee and others who have advised a broad liberalization of U.S. trade policy.

—JOHN H. ENGLISH

Commercial Counsellor for Canada

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Venezuela

The Market for Cheese

The bags slung about this Venezuelan boy's neck contain the popular native cheese. But a taste for imported cheeses is growing.

CARACAS—Venezuelans are eating more cheese; last year's consumption is estimated at 31 thousand metric tons. Of this, an estimated 26 thousand tons came from domestic production, largely of a type which tastes and looks like hard-packed cottage cheese.

Imports of cheese in 1952, according to Venezuelan statistics, increased by about 35 per cent over 1951. Ninety per cent of this came from three countries: 3,000 metric tons from the Netherlands, 1,400 from Italy and 200 from the United States. Canada was one of four other suppliers but contributed less than 1 per cent of imports.

Venezuelan Cheese Consumption*

(metric tons—2,204 lb. each)

Year	Production	Imports	Apparent Consumption
1945	20,000	710	20,710
1947	23,000	1,980	24,980
1949	26,000	2,590	28,590
1951	26,000	3,608	29,608
1951 (6 months)	....	1,900	....
1952 (6 months)	.....	3,600	...

* Source: Ministry of Development, Caracas.

Types Preferred

Information from trade sources indicates the following order of preference in the Venezuelan market: Gouda from the Netherlands, Parmesan from Italy and Argentina, Edam from the Netherlands, and processed cheese from the United States. Various kinds of specialty cheeses are also imported, principally from Switzerland.

The Gouda, with 45 per cent butterfat, and Edam with 40 per cent butterfat, arrive on the market in nine to twelve lb. rounds packed six to a wooden crate; Parmesan is shipped in baskets containing two cheeses each, weighing 20 to 25 lb. Processed cheese comes in cartons containing either five lb. blocks or ½ lb. packets. The Parmesan, with a c.i.f. cost of approximately 60 cents a lb., is the most expensive, followed by Dutch Gouda and Edam cheeses at 36 to 40 cents a lb. Processed cheese is landed at about 30 cents a half-pound.

Selling Arrangements

The sale of cheese in Venezuela is usually handled by an agent operating on a 3 to 7 per cent commission, depending on the popularity and volume of the type offered. In many cases the agent also acts as a distributor, as the few large wholesalers prefer to handle products with an established demand rather than to pioneer. Most sales to importers are on sight draft which in Venezuela is interpreted as "sight of goods". Reliable retailers are granted 30 days.

Cheese is generally subject to a gross weight import duty of approximately 16 cents (Canadian) per lb., but under the revised *modus vivendi* signed between the United States and Venezuela in October 1952 Cheddar now pays only 13 cents per lb. However, this rate of duty, with the higher mark-up which prevails in Venezuela, puts imported cheese into the semi-luxury class. As a result, the volume of sales suffers.

Prospects for Canadian Cheese

Canada's best opportunity to increase her cheese sales to Venezuela would be as a supplier of part of the estimated annual demand of 50 metric tons of Cheddar and 150 metric tons of processed cheese. There are several problems, however. Most cheese orders are for small quantities and these are expensive to ship unless they form part of a larger consignment. It is usually necessary to route through New York to ensure the definite arrival date which the trade requires and inland L.C.L. rates add considerably to the marine shipping cost.

Must Be Competitive

Several popular American brand-name processed cheeses enjoy the consumer's preference. Canadian producers would have to advertise considerably or offer a much better price to secure a worthwhile share of the market. In addition, the total demand for Cheddar is small and sales promotion would probably be expensive and results slow.

On the brighter side—the overall demand for cheese is expanding, there are no import restrictions or currency difficulties, and Canada receives most-favoured-nation benefits. If the problems of introduction could be overcome, Venezuela could provide a steady and growing outlet for Canadian cheese.

—D. B. Laughton
Acting Agricultural Secretary for Canada

United Kingdom

The Midlands' Engineering Industry

Steel and pig iron production achieved a record in January, but foreign orders for capital goods and engineering products are falling off.

LIVERPOOL—From the varying reports on conditions in the engineering industries—to which are coupled, of course, both steel and pig iron production—it is possible to note certain trends and changes. Hard-and-fast statements are difficult to make because there are always exceptions, but the following facts and figures indicate how things are moving.

British production of steel and pig iron reached a record in January of this year—an annual rate of 18,009,000 tons. This compares with a rate of 15,234,000 in January 1952. Pig iron production increased to the rate of 11,121,000 tons a year, compared with a rate of 10,281,000 tons in the same period of 1952. The industry has been pursuing a comprehensive development plan in the past few years and its completion is reflected in the figures above. A further rise is expected in February.

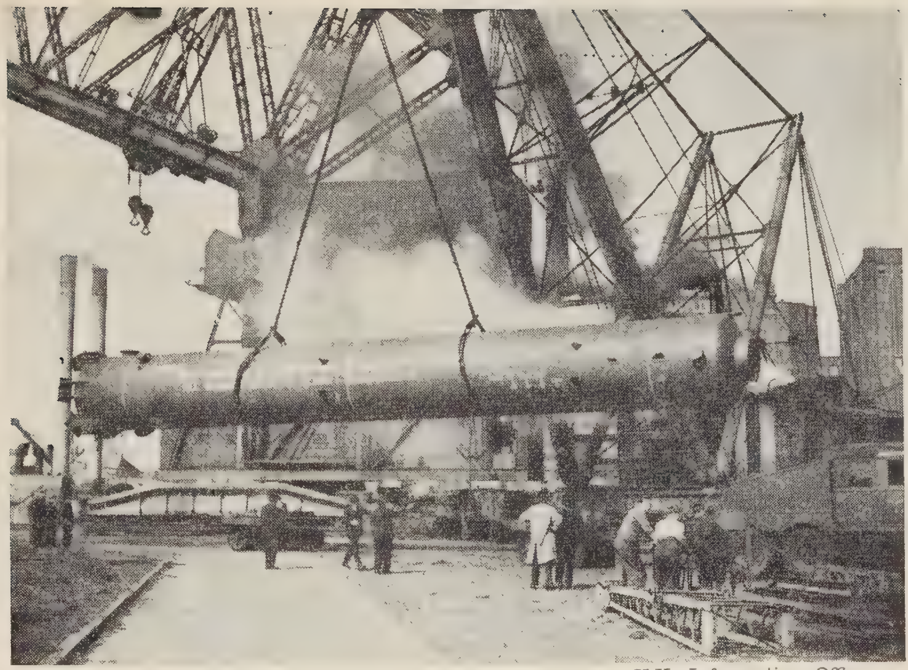
Originally, the steel industry looked for an output of some 17,500,000 tons in 1953, bringing supply and demand into line. Present prospects are that this goal will be reached.

Foreign Orders Decline

On the other hand, growing export problems are appearing. Outstanding orders, particularly in the Midlands, appear to be falling off and import restrictions imposed by sterling area Commonwealth countries are having their effects. Growing competition from other countries, such as Germany, Japan, France, Italy, the United States and Belgium, is also being felt. If the present trend continues, it will not be many months before the backlog of accumulated orders is filled. This dearth of new orders is fairly general, not only among producers of things such as electric motors, agricultural implements, engines and other machines, but also of the heavy capital goods. With the latter, however, long-term production programs will carry through for some time. Selling conditions have changed radically during the past year and it would not be surprising if output had to be cut down—but only temporarily, it is hoped.

In the heavy electrical engineering industry in this area, the orders on hand in many cases will require two to four years to complete and it is production capacity rather than demand that governs. In the lighter sections of this trade, there has been a falling-off in demand, with some few exceptions. This has brought quicker deliveries.

In the machine tool industry, lack of labour has held production back. Manufacturers of textile machinery and accessories and locomotive builders are feeling the effect of growing foreign competition. Partly because



—U.K. Information Office

This great container, made in Wolverhampton and weighing some 68 tons, is seen starting its long journey to India. It is a typical product of the Midland steel industry which is facing reduced export orders.

of this, the supply of certain raw materials and components has improved. This had been one of the industry's major difficulties.

Generally speaking, the feeling in the Midlands is one of uncertainty about business prospects. The more buoyant feeling that was evident toward the end of the year has changed with slackening business. Manufacturers engineering prefabricated buildings, principally for Commonwealth markets, have found things much quieter. Large orders for rolling stock equipment seem lacking and were it not for big ones placed by the Railway Executive, to run over a period of five years, the trade would not be very happy.

In Yorkshire, the picture is somewhat different. There the story is one of increasing activity and expanding output. Though the demand for finished or nearly finished steel has declined slightly, orders for raw and semi-finished steel are increasing. In 1952 Sheffield produced 44 per cent more than in any year before the war.

In a large plant, the blast furnace charging equipment has been mechanized, pig iron production increased, and a new rod and bar mill is being installed. Some of the larger forging plants are active in maintaining and re-building open hearth steel melting furnaces and installing re-heating and heat-treating furnaces. The English Steel Corporation has orders for most sections for many months ahead and the heavy forgings department has work booked into 1956. Satisfactory conditions prevail in the Sheffield area.

—M. J. Vechsler

Canadian Government Trade Commissioner.

69530—2

Ambassador to Indonesia Appointed

George R. Heasman

George R. Heasman, O.B.E., Director of the Canadian Trade Commissioner Service since 1945, has been appointed Canadian Ambassador to Indonesia and will leave in April to take up his new appointment in Djakarta. Mr. Heasman is not unfamiliar with Indonesia; he was stationed in Batavia (the name by which the former capital of Java was known) from 1928 to 1933. As Canadian Trade Commissioner in Java, Mr. Heasman travelled extensively through Southeast Asia and was directly responsible for the promotion of Canadian trade there.

Born in Ottawa in 1898, Mr. Heasman attended public and high schools in that city and graduated from Queen's University, Kingston, with a B. Com. degree. After four years with the Foreign Sales Department of the Wayagamack Pulp and Paper Company, Mr. Heasman joined the Canadian Trade Commissioner Service and was posted to Batavia in 1928. In 1933 he was transferred to Cape Town and spent the next six years in the Union of South Africa and East Africa.

Mr. Heasman was posted in 1939 to London, England and in 1940 to Chicago. He was recalled to Ottawa in 1941 and prepared a report which resulted in the establishment of the Export Credits Insurance Corporation. He then organized the Canadian Export Permit (licence) Branch of the Department of Trade and Commerce and remained as its chief until the end of the war. He also acted as assistant to the director of the Mutual Aid Board and took a prominent part in organizing and administering this agency, which later procured supplies here for UNRRA.

Mr. Heasman was appointed Director of the Canadian Trade Commissioner Service in 1945. In 1947, he was a member of the Canadian Government Trade Mission to South Africa, East Africa and the Mediterranean countries, a mission which was headed by the Minister of Trade and Commerce and which included Canadian businessmen and government officials. In 1950, he again visited South and Southeast Asia on a round-the-world inspection tour of Canadian Foreign Trade Service offices.

Australia's Steel Industry

SYDNEY—Australia produces the cheapest steel in the world, largely because of modern methods of production and high-grade raw materials situated near economic transport. The total production of steel comes from two plants—Broken Hill Pty. Ltd., at Newcastle, New South Wales, and its subsidiary company, Australian Iron and Steel, at Port Kembla, New South Wales. Both these plants are in coal mining areas and the iron ore (62 per cent iron content) is transported by sea from Whyalla in South Australia and from Yampi, an island off Western Australia. All other materials needed for iron and steel making are also easily accessible. The two plants have each three blast furnaces in operation with a total capacity of 2,288,000 tons a year. Another blast furnace, with an annual capacity of 290 thousand tons, is to be built at Newcastle within the next two years.

Of recent years, production of iron and steel has been well below capacity because of a shortage of manpower for the mines and steelworks. The result is that steel has been in short supply locally and none has been available for export, except for small quantities allocated for the New Zealand market. During 1952 the labour position improved considerably, record quantities of coal were mined, and by the end of the year the steel industry reached capacity production. Production of steel during the year ended June 30, 1952, was 1,139,000 tons, compared with 1,055,000 tons the previous year. Estimate for the current year is 1,450,000 tons.

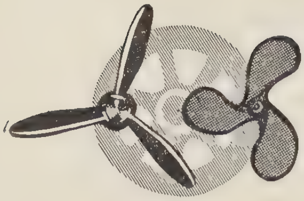
Expansion Plans Implemented

Despite the fact that Australian steel is the cheapest in the world, the local industry has been unable in postwar years to supply the demand and has had to import very large quantities from the United Kingdom, the European continent and Japan, at very high prices. In some years imports have amounted to half of local production. Most types of steel are still short and manufacturers are under allocation but 1953 should see a vast improvement. Imports will fall off and when present expansion programs are completed—about 1955 or 1956—supplies should be sufficient to meet domestic requirements and leave a surplus for export. Blast furnace capacity at present exceeds open hearth capacity and supplies of pig iron are available for export. Exports of about 40 thousand tons of pig iron went to the United Kingdom, Belgium and Italy during the last quarter of 1952.

Australia makes all types of finished steel products—with the exception of certain special alloy steels—and the present expansion program includes extending facilities for producing finished steel products of various types. The program embraces also the construction of a tin plate mill, the first in Australia. At present, total requirements of tin plate of between 115 thousand and 120 thousand tons are imported from the U.K. but the new mill will take care of this demand.

—C. M. Forsythe-Smith
Assistant Commercial Secretary for Canada

69530—2½



TRANSPORTATION NOTES

AUSTRALIA

Record Shipping at Melbourne—In 1952, for the first time in its history, the gross tonnage of shipping entering the Port of Melbourne exceeded 15 million tons—more than double the total of the first postwar year. An important feature of the record tonnage was a 10 per cent increase in the volume of interstate shipping. More than 65 per cent of the overseas ships berthing were British and 93 per cent were motor vessels or oil burners—Melbourne, February 21.

CHILE

Pan-American Highway—Official circles say that the Santiago-La Serena section of the Pan-American Highway, a total distance of 486 kilometres, will be completed in August. Construction has taken six years and has meant the removal of more than 20 million tons of earth. It included two important river bridges and a three-span viaduct 50 metres high—Santiago, February 2.

IRELAND

Air Service to U.S. Postponed—Inauguration of a new transatlantic air service between Boston, New York and Shannon—scheduled to begin in April— has been postponed until 1954. Delay in receiving approval from the United States Civil Aeronautics Board, and modifications to the present agreement between Aerlinte and Seaboard and Western Airlines, have caused the postponement. The C.A.B. has imposed a two-year limit on the agreement. Super-Constellation aircraft for 80 passengers will be used instead of the Skymasters originally planned. Fares will be tourist rate—Dublin, February 18.

PORTUGAL

Merchant Service Expands—The Portuguese Merchant Service is steadily developing and has now under construction in metropolitan Portugal four passenger-cargo ships of 5,500 tons each, one fruit cargo ship of 4,000 tons, and one tanker of 16,000 tons. Foreign shipyards are constructing for Portuguese shipping companies two liners of 10,000 tons, one tanker of 16,000 tons and one modern cargo vessel of 4,000 tons.

Building of these vessels has been stimulated largely by the increased trade between Portugal and her overseas provinces of

Angola and Mozambique. Additional tonnage is contemplated in Portugal's six year plan of development, both at home and overseas—Lisbon, February 5.

SINGAPORE

Shipping Tonnage—During the year ended June 30, 1952, there was a large increase in shipping handled by the port of Singapore. Total tonnage handled was 36·5 million, as compared with 25·5 million in 1948, and 30 million in each of the years 1949 and 1950. In 1951 and 1952, 24,556 merchant ships and native craft passed through the Singapore Harbour Board—Singapore, January 31.

SOUTH AFRICA

New Airport—Opening of the new £6M Jan Smuts airport should take place in April or May, according to the latest reports. If so, the Union's biggest air terminal will begin operations by handling traffic for the Coronation which, according to advance bookings, will be the heaviest in South African aviation history. The main runway (10,000 feet long) and two secondary ones have been completed, and work is now progressing on the terminal buildings and the lighting system. When completed, this new airport will bear comparison in all respects with the most modern anywhere—Johannesburg, February 16.

SWEDEN

U.S. Orders Ships—U.S. representatives and Swedish shipyards are negotiating, it is reported, over the building in Sweden of new-type tankers with a total tonnage of 77 thousand at a cost of approximately $24 million. The vessels will have a speed of 18 knots and will be 2,000 tons deadweight. The bridge on these tankers will be constructed on a pontoon base which, if necessary, can quickly be freed from the hull. There will also be space for the whole crew on the bridge, from which all operations during a military engagement can be remote-controlled. These vessels will be equipped with exceptionally strong pumps so that, if necessary, the oil can be pumped up to an air base ashore. No harbour is necessary for loading and unloading—Stockholm, February 17.

UNITED KINGDOM

Shipbuilding—At the end of 1952 some 336 ships of 2,146,402 gross tons were under construction in the U.K., an increase of 83,920 tons over the September quarter. Of this tonnage, 31·3 per cent is being built for registration abroad; 56·6 per cent represents oil tankers.

Outside the United Kingdom, *Lloyd's Register* reports, steamships and motorships under construction on December 31, 1952, totalled 843 ships of 3,972,183 tons gross, an increase of 169,792 tons compared with September—London, February 25.

The Livestock and Meat Market

The great increase in cattle numbers sets the stage for a year of uncertainties. But no drastic overall changes are expected in the coming months—if the weather is normal.

WASHINGTON—During the 3½ years preceding February 1, 1952, Canada exported to the United States livestock and meat to the approximate value of $450 million. On March 2, 1953, the United States Government removed the restrictions against the import of livestock and livestock products which were imposed on February 26, 1952, because of the outbreak of foot-and-mouth disease in Saskatchewan.

Now the important question is: what effect will the opening of the United States border have on trade in these products and how will it affect the Canadian market? Unfortunately we cannot answer these questions correctly nor can we make predictions. We shall, however, outline the present situation in the American livestock industry and indicate in general terms the developments expected in the year ahead.

Supply—Beef and Veal

The official estimates* indicate that the cattle population increased during 1952 by 5·8 million head to reach a record high of 93·7 million. This compares with only 77 million head on January 1, 1949, and 85·7 million on January 1, 1945. Because cattle cannot be used to build up herds and at the same time be slaughtered for meat, this great increase is evidence that, during the same period, cattle slaughter was rather small. Statistics show that the 1952 slaughter was relatively the smallest since 1933 and in absolute terms the second smallest since 1942. It was, however, larger than the 1951 slaughter and practically all of the increase came in the second half of the year. This background of tremendously increased numbers of cattle and now the swing to increased slaughtering provide the main basis for the official** predictions that (given normal weather) slaughter of cattle and calves, and hence beef and veal production, may increase in 1953 by approximately 15 per cent over 1952. If grazing and feed conditions are good, fewer cattle will probably be slaughtered; if there is serious drought, cattle slaughterings will probably rise. It should be noted that the official predictions were based on an assumed 1952 increase in cattle numbers of only five million head.

---

* USDA estimates of cattle population on farms as of January 1.

** "Official" here and hereafter refers to the Bureau of Agricultural Economics of the U.S. Department of Agriculture.

These expectations are supported by the fact that the 5,836,000 cattle on feed*** on January 1, 1953, represented 16 per cent more than the previous year, 35 per cent more than the 1947-51 average and, in fact, the highest on record. Nebraska, Missouri, Iowa, Oklahoma, Indiana, Illinois and Wyoming showed the greatest increases; Texas and some of the far western states showed declines. From the standpoint of meat production, however, some of the increase is discounted by the fact that in the corn belt at least there is a larger percentage of light cattle than last year. These cattle will require more time in the feed lots or will be sold with less finish at lower weights. It is also reported that corn belt feeders intend to market at a faster rate than last year. This leads to the conclusion that the number of fed cattle to be received at corn belt markets in the first quarter of this year will be substantially higher than last year, but that the increases will be confined almost entirely to the lower grades. The corn belt states supply about three-quarters of the fed cattle as defined in the footnote.

Hay and Feed Supplies

On the feed side, the situation for the country as a whole appears to be one of very slightly increased supplies of feed grains and other concentrates per grain-consuming animal unit, and a 6 per cent smaller supply of hay per roughage-consuming animal unit in 1952-53, compared with 1951-52. In addition, the below-average condition of both pastures and ranges last fall has necessitated increased feeding of hay and other feeds. In view of the already high hay prices (8 per cent higher in December than a year earlier) and the expected strengthening in feed prices (led by corn as the effect of the price support program is felt) the feed situation cannot, in our view, be expected to encourage long feeding of cattle. This will hold true especially if, as many are predicting, cattle prices continue to decline.

In certain sections of the South and Southwest, however, the shortage of feed appears to be serious in spite of a government emergency assistance program which gives financial help in the form of a transportation subsidy on hay. Whether or not this program can forestall all emergency marketing of unfinished cattle is not yet clear. The drought continues in the central states, with little relief in sight. January precipitation in the affected states ranged between 30 and 75 per cent of normal.

During the latter part of the year, weather conditions are likely to be exceptionally important. The tremendous numbers of cattle on hand at a time when producers are, according to past cycles, apt to be contemplating some reduction in their herds, coupled with a declining market, produces a situation likely to be unusually sensitive to serious drought or sharp price changes.

Pork Supplies

In contrast to beef and veal, the output of pork is expected to decline in 1953. Latest official estimates set the reduction at from 12 to 15 per cent below 1952—or about enough to offset the predicted increases in beef and veal. These estimates are based on the 11 per cent decline in the 1952 fall pig crop compared with 1951 and the indicated reduction

*** Includes only cattle being fattened for market as a more or less distinct enterprise and excludes small operations incidental to dairying and general farming.

of 13 per cent in the number of sows to farrow in the spring of this year compared with 1952. Another factor is that a larger than usual proportion of the 1952 spring pig crop appears to have been marketed before the year's end. However, because estimates of spring farrowing are based on farmers' intentions on December 1st, they are subject to considerable revision. At least one unofficial forecaster suggests that there will not be as large a decline as officials predicted. Feed prices have changed little since December and hog prices have increased no more than seasonally. On the other hand, the hog-corn ratio is more favourable to the hog raiser than it was a year ago.

Total Supply

Official estimates call for slightly decreased production of mutton and lamb in 1953 and slightly larger supplies of poultry. In summary, therefore, the official forecast is that, given normal weather, the total supply of meat in 1953 will be slightly below that of 1952. On a per capita basis this would mean a reduction of approximately 2 per cent.

During the 6-week period ending February 7, 1953, total meat production has been officially estimated at 2,244 million pounds—or 3·4 per cent higher than for the corresponding period in 1952. During the third of these weeks, total meat production was more than 14 per cent higher than in the previous year and beef production about 34 per cent higher. These very heavy marketings caused widespread concern in agricultural circles and led one leading journal to suggest that the official forecast for the year was too low. During the last of these weeks, however, and in spite of continued high beef marketings (17 per cent over 1952), total meat production was 6 per cent less during the corresponding week in 1952, mainly because of a 24 per cent decline in pork production.

On the whole, therefore, there does not as yet (February 14) seem to be sufficient evidence to suggest that actual production will be seriously out of line with the official estimate. At the same time, the potential for greatly increased marketing of cattle provided by the record high numbers on farms can scarcely be over-emphasized. The same large numbers, plus the timing of the present cattle cycle, suggest that there is much less possibility of actual beef production falling below the official estimate. In addition, the improvement in the hog-corn ratio over a year ago suggests that pork production is more likely to exceed the estimate than to fall below it.

Predicting Demand

Historically, in the United States the relationship between changes in disposable personal income and in the retail value of meat consumed has been exceptionally close. During the years 1940-48 war and postwar influences disturbed this relationship but it now appears to be operating once more. Hence a forecast of the demand for meat may reasonably use as a basis the forecasts for personal income—though these are not necessarily conclusive.

It seems safe to predict that, barring major international developments, there will be no drastic fluctuations in economic activity and personal income in the U.S. in 1953. We may therefore look forward to a year of prosperity and an accompanying demand for meat at least as strong, on the basis of retail value, as in 1952.

Assuming that total meat production during 1953 will approximate that of 1952 and that total consumer income will remain at or near the 1952 high levels, experience indicates that retail consumers will spend approximately the same number of dollars for meat as they did in 1952. Hence the *average* price for all meat may not change greatly. If these assumptions prove correct, and if the historical relationships continue, the question remains: how will these relationships be translated into prices of the different classes of livestock and meats during the course of the year?

Price Changes in Hogs

The normal expectation is for the price of hogs to rise fairly sharply during January, February and March to about the average for the year, lose part of that gain in April-May, rise sharply and steadily to a short annual peak in late summer, and drop to the seasonal low in December. A few of the more obvious special circumstances this year which may be expected to influence the seasonal price pattern are:

- The substantial reduction in hog numbers compared with the previous year, suggesting an upward trend in prices for the year as a whole.
- The reported larger than normal slaughter of fall crop pigs before January, suggesting a smaller than normal decline in spring prices.
- Very heavy competition from large quantities of beef and poultry, combined with a consumer preference for beef and an expected decline in beef prices, suggesting that expected hog price increases may be more moderate than hog numbers would indicate.
- The actual size of the spring, and to a certain extent the fall, pig crops will determine to a large degree price changes in the latter part of the year.

Cattle—the Price Pattern

The normal seasonal price pattern for cattle is a steady climb from below average in January through four or five months to a seasonal peak in May or June, then a gradual drop to about average in July or August. This is followed by a slight recovery of short duration, then a sharp decline to the seasonal low in November and December. It is interesting that the seasonal pattern for prime quality steers in Chicago has been almost the exact reverse of this, with the highest prices received from September to January and lowest prices in May. Prices of stocker and feeder steers, on the other hand, have followed the average pattern quite closely.

Because average cattle prices represent a number of quite dissimilar sub-groups (cows, bulls, feeders and stockers, steers, etc.) more than average hog prices do, the seasonal fluctuations of these averages have not the same significance nor are they of as much general interest as the average hog prices. Furthermore, the complexity of the problem and lack of space prevents us indicating here the normal seasonal price patterns of cattle by sub-groups and discussing those patterns in relation to the special circumstances of this year. But we can draw attention to some of these special circumstances, confirmed or expected, and suggest how they may affect the general cattle price picture.

Factors which may be expected to influence cattle prices adversely in 1953 are:

- The phase of the present cattle cycle in the United States: cattle numbers are at or near a peak and may possibly decline during 1953. In any event, marketings will be larger than in the last few years and could be very much larger. This is undoubtedly the dominant factor in the whole meat price situation.

- One result of this trend of increased marketings and hence lower prices will probably be a tilting downward of the normal January-June price rise and a steepening of the price decline in the fall months.

- Supporting this tendency is the very low prices paid in some instances last fall for feeder and stocker cattle, which will permit feeders to sell fat cattle at relatively low prices and still maintain their profit margin.

- The rather precipitous price decline during January which appears to have levelled off may have carried prices to such a point (27 per cent below last year at the farm on January 15) that, even if a normal price pattern were followed during the remainder of the year, the average price for the year could be very considerably below the 1951 average.

Buoyant Factors

The following factors are among those that may be expected to buoy up cattle prices:

- Economic activity and hence consumer incomes are expected to be maintained and possibly increased during 1953 without any appreciable change in the general cost of living.

- Supplies of hogs, the most direct competitor for the consumer's dollar, are expected to be considerably less than last year.

- The dropping of all controls on livestock and meat on February 6, 1953, is expected by Secretary Benson and the American meat industry to stimulate sales and stabilize the market.

- During 1952, the wholesale-retail margin increased noticeably. Much of the excess in this margin was squeezed out in the January price drop, thus cushioning the effect on the farmer of the severe price drops at the retail level.

- The American meat industry, acknowledging the dangers in the present situation, is organizing a 16-week promotion drive under the aegis of the National Livestock and Meat Board. The drive, which is described as the most comprehensive of its kind the industry has ever scheduled, will cover at least 30 of the largest cities in the country.

The net effect of all these factors upon actual livestock and meat prices in 1953 is beyond our ability to predict. It seems safe to suggest, however, that the size of actual cattle marketings and beef production will be of prime importance. This in turn will be affected by the actual, as opposed to estimated, numbers on farms, by the availability of feed as influenced by the weather, particularly in the second half of the year, and by a variety of psychological factors.

—W. F. Hillhouse
Assistant Agricultural Secretary for Canada

GENERAL NOTES

BRAZIL

New Aircraft Factory—The Air Minister has signed a contract between the Brazilian Government and the Fabriek Fokker Airplane Company of Holland to manufacture aircraft for civil and military use. The factory will be constructed at Galeao airport in Rio de Janeiro—Rio de Janeiro, February 16.

BRITISH EAST AFRICA

Oil Search—The Anglo Iranian and Royal Dutch Shell companies are making a joint geological and geophysical search for oil fields in East Africa. An aerial survey of Tanganyika is under way, and will be followed by examination of structures in Zanzibar, the Pember Islands and Kenya. Ground surveys already begun in the coastal area are working inland—Cape Town, February 16.

CUBA

Sugar Bag Weight Reduced—Because of pressure applied by labour, the Cuban Government has ordered that the 325-Spanish pound bag used for packing raw sugar be replaced by a 250-Spanish pound bag. This substitution will take place gradually as follows. Beginning with the 1953 sugar crop, mills must pack a minimum 25 per cent of their output in 250-lb. bags; from the 1954 crop, 75 per cent, and the entire output of the 1955 crop and future crops. In paying taxes, freight charges, wages and handling at mill, warehouses, docks and ports, charges for which are stipulated in terms of 325-lb. bags, sugar packed in the new 250-lb. container will be considered as having been packed in the larger bag. In this way, tax, handling, transportation, warehousing and shipping costs will not be increased—Havana, February 20.

INDIA

Machine Tool Factory—The Government of India and a Swiss firm, Messrs. Oerlikon Machine Tool Works, Buerle & Co., have signed articles for the establishment of the Hindustan Machine Tools Ltd. The authorized capital of the company is Rs.120 million, and its production program covers the manufacture of high-speed lathes, heavy-duty drilling machines, shaping machines and milling machines.

Construction of the factory near Bangalore is progressing and some of the capital equipment has been installed. It is expected that the factory will go into full production by the end of this year.

The Swiss firm is also responsible, in association with the Ministry of Defence, for the construction and equipment of the Ambernath machine tool factory which was officially opened recently.

As soon as the Hindustan Machine Tools Limited is in full production, it is anticipated, India will have attained self-sufficiency in high-quality, general purpose machine tools—New Delhi, February 10.

ITALY

Iron and Steel Plants—The first complete cycle set of plants to be built in Italy for the working of iron and steel will be in operation near the end of 1953. One of the two giant blast furnaces in the plants has recently been inaugurated. These plants were first planned and their construction begun in 1936-37. They are said to be among the biggest and most modern plants of their kind in the world and will permit production of iron and steel products at costs similar to those in the leading metal-producing countries. The plants are conveniently situated near the quay at Cornigliano-Genoa and comprise 30 buildings and 40 kilometres of railway track. Facilities for the unloading of ore and coal from large tonnage ships and storage for 100 thousand tons of coal are provided. The gas extracted from the coal will be stored in two gasometers, the largest of which has a capacity of 150 thousand cubic metres, sufficient for the domestic use in a city of two million inhabitants. The two blast furnaces, 35 metres high with a capacity of 750 tons each, will require 1,500 tons of coke a day. Each iron casting will be of 150 tons with a daily output of 750 tons. The total output of the plants initially is expected to be about 600 thousand tons of raw steel a year, and an increase to one million tons a year is anticipated within a few years—Rome, February 14.

UNITED STATES

Business in the Detroit Area—A recent report of the Detroit Board of Commerce summarized the current business activity of the area in the following terms:

"Factory employment reached a record of 736 thousand in January. Non-manufacturing employment also reached a record 619 thousand. Weekly earnings of factory workers in November averaged $90.69, 19 per cent higher than the weekly average for 1951. The local cost of living is only 4 per cent over the 1951 average. Bank clearings of $3 billion in January were 7 per cent above the best 1952 month. Car and truck production, an excellent economic indicator in Detroit, also show an increase over last year. January production this year was 7 per cent over December and 49 per cent over January 1952 (577 thousand units this year as against 389 thousand units in January 1952)"—Detroit, February 16.

The Farmers' Year

OSLO—Of Denmark's total area—approximately 16,560 square miles —73·3 per cent is today under cultivation and about 25 per cent of her total population of 4½ million is employed in agriculture. A 1949 census showed 206,635 farms, including small holdings. The average size was about 37 acres, with small and medium-sized holdings predominating.

The most recent agricultural census, taken on July 12, 1952, showed that, of the 7,726,817 acres under cultivation, 42·4 per cent was devoted to grain, 18·6 per cent to potatoes and other root crops, 2·8 per cent to seeds and allied crops, 23 per cent to grass land in crop rotation, 13 per cent to permanent pasture, and 0·2 per cent to fallow. As compared with 1951, when the total was 7,775,210 acres, grain growing increased considerably at the expense of the other crops. Incidentally, Denmark has the largest grain yield per acre of any country.

Mechanizing the Farms

The number of farm labourers in Denmark has declined steadily from year to year as a result of more modern farming methods and the increased use of mechanical equipment and implements. In July 1952 the number of farm labourers was 201,500, a drop of 13 thousand in one year.

The following table illustrates the remarkable growth in the use of modern equipment on Danish farms in the course of one year.

	12/7/52	14/7/51	1949
Number of farms with tractors	30,118	23,176	4,184
Number of tractors	32,407	25,317	....
Number of farms with milking machines	105,885	91,084	30,402
Number of threshing machines	800	426	308
Number of farms with silos and pits for ensilage	93,407	85,293	....

Of the total number of farms in Denmark, 45·4 per cent had silos or pits for ensilage in 1952, as compared with 41·4 per cent in 1951.

Livestock Raising

The livestock census in 1952 yielded some interesting results when compared with the 1951 figures.

	12/7/52	14/7/51
	Head	
Horses	423,000	465,000
Cattle	3,057,000	3,110,000
Of which milch cows	1,473,000	1,584,000
Pigs	3,632,000	3,189,000
Of which sows	439,000	339,000
Fowls	23,411,000	22,250,000
Of which hens	9,668,000	9,766,000
Other poultry	639,000	606,000

The pig population increased during the whole of 1952, reaching 3,909,000 early in November.

Record Harvest

Denmark had a record harvest in '52, according to official reports. Figures for the various yields, calculated in crop units according to fodder value (one crop unit equals the fodder value of 100 kilograms of barley) show that the 1952 harvest amounted to 135·7 million crop units, or 6·7 million more than in 1951. The previous record, set in 1949, was 132·5 million crop units. The preliminary grain crop figures for 1952, as compared with 1951, are shown below:

	1952	1951
	metric tons	
Wheat	275,000	277,000
Rye	335,000	269,000
Barley	1,965,000	1,748,000
Oats	910,000	829,000
Mixed grain	755,000	670,000
Total	4,240,000	3,811,000

The potato crop in 1952 was reported as normal (equals 100 according to the international percentage scale). The 1951 crop, which totalled 1,952,000 metric tons, is described as an international percentage of 93.

The production of agricultural produce of animal origin during the first nine months of 1952 and 1951 and for the whole of 1951 is set out in the following table.

Products of Animal Origin	Jan.-Sept. 1952	Jan.-Sept. 1951	1951
		metric tons	
Milk	3,895,000	4,134,000	5,235,000
Butter	119,700	133,800	168,100
Cheese	68,600	60,700	74,900
Pork and bacon	286,200	302,100	395,300
Beef and veal	130,500	141,900	206,600
Eggs	94,600	94,800	122,500

Cheese production achieved a record in 1951 and the 1952 figure will probably be still higher. Statistics for the first nine months of the two years show the 1952 figures as nearly 8,000 tons over that for the same period of 1951.

Agriculture's importance in the Danish economy is reflected in her imports of raw materials required for agricultural production and her exports of agricultural produce. The former totalled almost 10 per cent of total imports and the latter nearly 60 per cent of total exports. The two following tables show the value of these imports and of the leading agricultural exports for the first nine months of 1952 and 1951.

Imports of Raw Materials for Agriculture	Jan.-Sept. 1952	Jan.-Sept. 1951
	million kroner	
Feeding grain, bran, etc.	84·7	94·1
Oil cakes	133·4	174·3
Other feeding stuffs	15·7	47·8
Fertilizers	185·1	159·4
Other raw materials	7·6	10·0
Total raw materials for agriculture	426·5	485·6
Percentage of total imports	8·6 per cent	9·2 per cent

Exports of Agricultural Products	Jan.-Sept. 1952	Jan.-Sept. 1951
	million kroner	
Pork and bacon	773·8	712·1
Butter, not canned	563·7	652·8
Eggs	272·3	212·2
Live cattle, including calves	188·5	282·5
Cheese	177·0	144·6
Beef and veal, fresh and frozen	109·1	18·6
Grain, unmilled	83·9	31·7

Sales to the U.K.

The United Kingdom, the most important market for a number of Denmark's agricultural products, took 137,352 metric tons of pork and bacon out of a total export of 145,945 tons during the first nine months of 1952; 72,218 tons of butter out of a total of 91,788 tons, and 45,343 tons of eggs out of a total of 61,068 tons. Live cattle exports totalled 160,299 head and of this, Germany took 143,403 head. The bulk of Denmark's cheese exports went to Western Germany and the U.K., which took 17,132 tons and 12,244 tons respectively. Exports of beef and veal, to a total of 24,316 tons, found markets mainly in Italy, Western Germany, France and Switzerland.

Bacon Agreement

By the middle of November the new bacon agreement with the United Kingdom had been concluded and, as a result, Denmark's sales to that country should be assured for the next two years. The increase in British hog production—and the difficulties experienced in placing Danish pork and bacon on other markets—gave rise to a number of problems for the Danish representatives during their negotiations with the British authorities. The result was a reduction of 9 per cent as compared with the average price for the last agreement year. However, according to official reports this price was acceptable to the Danish delegates, who seemed satisfied at having achieved results more or less in line with their expectations.

—J. L. Mutter
Commercial Secretary for Canada

COMMODITY NOTES

JAMAICA

Molasses—In 1952 Jamaica exported four million gallons of molasses. Although production will be considerably higher this year, no increase in overseas sales will be considered. Surplus production will be diverted to the manufacture of industrial alcohol for local consumption—Kingston, February 10.

JAPAN

Grain—Japan imported 3,640,000 metric tons of grain in 1952, according to a Food Board survey. This was made up of wheat, 1,680,000 tons; rice, 980 thousand tons, and barley, 980 thousand tons—Tokyo, February 19.

Canned Goods—During 1952 Japan exported $2\frac{1}{2}$ million cases of canned food, a 40 per cent increase over exports in 1951. Shipments of canned fish, such as tuna, sardines, mackerel, etc., amounted to 2,009,000 cases, up from 1,355,000 cases in 1951. The remaining 495 thousand cases consisted mainly of mandarin oranges and bamboo shoots, a large increase over the 395 thousand cases exported in 1951—Tokyo, February 19.

NETHERLANDS

Hay—Serious hay losses in the flooded areas of the Netherlands make it necessary to ban normal exports of hay. Farms in areas not affected by the flood have taken in evacuated cattle for which there is not sufficient fodder. The present order is designed to provide for such cases. In announcing this policy, the Ministry of Agriculture stated that resumption of exports will be considered later—The Hague, February 9.

SCOTLAND

Jute—A well known jute-producing firm has acquired a factory site on Milton of Craigie Industrial Estate, Dundee, and will use it to manufacture jute products for dollar markets. Looms will be taken

out of storage and installed in the new factory to meet the demand for specialized Dundee makes of jute cloth. The factory will be producing in a few weeks' time—London, February 10.

Whisky—Scotch whisky exports in 1952 exceeded the target by more than one million gallons and reached an all-time high. The total was 11,520,564 proof gallons, which earned £33,026,966 in foreign currency. About 6 million gallons went to the U.S., worth £18 million. Canada was the next biggest customer, paying £3 million for nearly one million gallons—London, February 14.

SOUTH AFRICA

Titanium—A big deposit of titanium ore has been discovered on the Natal south coast and a South African mining company is carrying out development over a large area. Mining will begin this year. An experimental plant has been installed and samples of the first output sent to the United States. More than one million tons of ilmenite ore containing 50 per cent titanium oxide are said to exist around Umgababa—Johannesburg, February 20.

SWEDEN

Kraft Paper—One of Sweden's largest pulp and paper mills recently installed a new kraft paper machine, claimed to be the country's largest. It will increase their annual production from 42 thousand to 65 thousand tons. The machine has a production capacity of about 30 thousand tons of kraft paper a year, is 100 metres long, nine metres high, and manufactures paper 5·26 metres broad. With the new machine erected in three other mills, Sweden's total production capacity is now 90 thousand tons—Stockholm, February 4.

WEST GERMANY

Toys—West German toy exports totalled approximately 68 million D marks at the end of November, compared with 72 million D marks for the whole of 1951. December 1952 exports are estimated at 4 or 5 million D marks, making a total equal to last year's. Despite foreign import restrictions (e.g. Great Britain) and greater foreign competition (e.g. Japan) the record level of 1951 was maintained. Chief customers were the United States, Sweden, Belgium and Switzerland. Prices were generally regarded as fair—Bonn, February 5.

Pencils—Exports of pencils in 1952 were about 30 per cent lower than in 1951, the result, it is said, of import restrictions in some countries and increasing production in others. Japan especially is producing cheap lead and coloured pencils. Nevertheless, it is felt that German quality products will succeed in holding their own in world markets. The domestic market maintained the level of the previous year and the total assortment has been sold out—Bonn, February 5.

TRADE AND TARIFF REGULATIONS

BRAZIL

Free Exchange Rate—The law creating a free exchange market in Brazil came into effect on February 21, 1953. Exchange operations in the free market have resulted in a rate of about 40 cruzeiro to the U.S. dollar as compared with the official rate of 18·5.

Although exchange earned from Brazil's principal export, coffee, must continue to be sold at the official rate, a percentage of the exchange earnings from minor Brazilian exports may now be sold at the free rate. The percentage ranges from 15 to 50 per cent, depending on the commodity. Among the items accorded the special rates are rice, cocoa butter, shelled brazil nuts, babassu oil, castor oil, cotton linters, cotton textiles, tanned hides and skins, and sisal.

On the import side, Brazil's essential imports will continue to be financed with exchange obtained on the official market. Certain imports may be financed with exchange purchased in the free market. No announcement about what commodities might be so licensed has yet been reported.

INDONESIA

Exchange Rates—The Singapore office advises that Indonesia has reported a modification of the Indonesian exchange regulations which results in an additional effective exchange rate applicable to specified semi-essential imports.

Formerly there were three effective import (selling) rates of exchange and a single export (buying) rate. These various import rates resulted from the use of so-called inducement certificates. Essential imports could be effected at a basic exchange rate of 11·4 rupiahs to the United States dollar or its equivalent in other currencies. Foreign exchange for non-essentials could be obtained at the basic rate subject to the importer purchasing inducement certificates equal to 100 per cent of the c.i.f. value of the import. Semi-luxury imports were effected in the same manner, but in this case inducement certificates were required equal to 200 per cent of the c.i.f. value. This procedure gave three effective import rates—11·4 rupiahs, 22·8 rupiahs and 34·2 rupiahs to the United States dollar.

A new category of imports for exchange control is now reported to have been established. These imports are subject to the basic rate plus an inducement certificate equal to 33⅓ per cent of the value, giving an additional effective rate of 15·2 rupiahs to the United States dollar. A list of the goods subject to this new rate has not yet been received, but it is believed to be made up of certain items previously included in the essential group for which no inducement certificates were required.

The dollar certificate system superimposed on these various exchange rates continues in effect. Under this system exporters whose proceeds are in dollars receive, in addition to rupiahs at the basic rate, dollar certificates equal to 70 per cent of the nominal value of those proceeds. Importers making payment in dollars must, in addition to obtaining exchange at the rates noted above, purchase dollar certificates equal to the full amount of the exchange required. When last reported, the cost of these dollar certificates was 0·25 rupiahs per United States dollar.

PAKISTAN

Import Control Policy Announced—The Canadian Commercial Secretary, Karachi, cables that the Pakistan Government announced its new import policy on March 2. Imports from the dollar area are heavily curtailed and only 53 items will be permitted import from Canada for private account. The most important of these are: non-ferrous metals and alloys; tools; chemicals, drugs and medicines; office machines; tires and tubes; synthetic rubber; four-wheel drive trucks, and auto parts and accessories. Newsprint is not covered by this policy announcement.

The Open General Licence for dollar imports was withdrawn November 23, 1952, and all imports on private account since that date have been subject to individual licence—Karachi, March 2.

UNITED STATES

Opening of Border to U.S. Livestock and Meats—On March 2, 1953, the United States removed its restrictions on the import of Canadian livestock and meats imposed because of the outbreak of foot and mouth disease in Canada. On the same day, Canada removed its import controls on livestock and meats which were imposed in March 1952 to deal with the emergency situation.

The President of the United States has also proclaimed the termination, effective April 1, 1953, of what had been an abnormal situation in respect of cattle and meats. Because of a shortage of cattle and meats in the wartime and postwar periods, the President permitted all such imports to be made at the low rate of duty which normally applied only to fixed quotas.

As a result of this announcement, the tariff quota arrangements negotiated at Geneva between Canada and the United States will apply as of April 1, 1953. The Geneva agreement provides for the annual import from all countries of 200 thousand head of calves and 400 thousand head of heavyweight cattle at a rate of 1½ cents per lb. There is provision in the agreement whereby not more than 60 thousand calves and 120 thousand head of heavyweight cattle shall be imported in any one quarter. Imports in excess of the tariff quota enter at a rate of 2½ cents per lb. As a result of the Geneva negotiations, the world quotas were increased from 125 thousand head of calves and 225 thousand head of heavyweight cattle.

Total imports into the United States from all sources have usually not exceeded the quota. In 1951, the last full year before the embargo was imposed, Canada exported to the United States 124 thousand head of heavyweight cattle and 11 thousand head of calves.

Dairy cows enter the United States at 1½ cents per lb. and pure-bred cattle for the improvement of stock are admitted free. In neither case does a tariff quota apply.

There is no tariff quota on fresh beef and veal. As part of the Geneva agreement, the United States duty on such meats was reduced from six cents to three cents per lb.

Foreign Trade Service Abroad

† Indicates a change since previous publication.

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina Paraguay Uruguay	C. S. Bissett, Commercial Counsellor W. B. McCullough, Agricultural Secretary	Canadian Embassy, Bartolome Mitre 478, Buenos Aires	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 33-8237
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	C. M. Croft, Commercial Counsellor for Canada	City Mutual Life Building, 60 Hunter Street, Sydney	*Mail:* P.O. Box 3952 G.P.O. *Cable:* Canadian *Tel.:* BW 9351
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada and Agricultural Secretary	83 William Street, Melbourne	*Mail:* (City Address) *Cable:* Canadian *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	W. Gibson-Smith, Canadian Government Trade Commissioner	Forescom Building, Leopoldville	*Mail:* Boîte Postale 373 *Cable:* Canadian *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Secretary	Canadian Embassy, 35 rue de la Science, Brussels	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 11-33-88
Brazil	C. R. Gallow, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165, Rio de Janeiro	*Mail:* Caixa Postal 2164 *Cable:* Canadian *Tel.:* 42-4140
Brazil	C. J. Van Tighem, Consul of Canada and Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, Sao Paulo	*Mail:* Caixa Postal 6034 *Cable:* Canadian *Tel.:* 36-6301
Ceylon	Paul Sykes, Canadian Government Trade Commissioner	Galle Face Hotel, Colombo	*Mail:* P.O. Box 1006 *Cable:* Canadian *Tel.:* 5876
Chile	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, Santiago	*Mail:* Casilla 771 *Cable:* Canadian *Tel.:* 64189
Colombia Ecuador	W. J. Millyard, Canadian Government Trade Commissioner	Calle 19, No. 6-39, Bogota	*Mail:* Apartado 1618 *Airmail:* Apartado Aero 3562 *Cable:* Canadian *Tel.:* 12-251
Cuba	A. W. Evans, Commercial Secretary	Canadian Embassy, Edificio Motor Centre, Calle Infanta 16, Havana	*Mail:* Apartado 1945 *Cable:* Canadian *Tel.:* UO-9457
Dominican Republic Haiti, Puerto Rico	R. E. Gravel, Canadian Government Trade Commissioner	Edificio Copello 410, Calle El Conde, Ciudad Trujillo	*Mail:* Apartado 451 *Cable:* Canadian *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Jordan, Saudi Arabia	Acting Canadian Government Trade Commissioner	Osiris Building, Sharia Walda, Kasr-el-Doubara, Cairo	*Mail:* P.O. Box 1770 *Cable:* Canadian *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	R. G. C. Smith, Commercial Counsellor for Canada	3 rue Scribe, Paris	*Mail:* (City Address) *Cable:* Canadian *Tel.:* OPEra 42-30
Germany Federal Republic Germany	B. A. Macdonald, Commercial Counsellor Wm. Van Vliet, Agricultural Secretary	Canadian Embassy, 22 Zitelmannstrasse, Bonn	*Mail:* (City Address) *Cable:* Canadian *Tel.:* Bonn 38927

Territory	Officer	City Address	Mail and Cables, Office Telephone
Greece Israel, Turkey	H. W. Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., Athens	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 72-853
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner	28, 5a Avenida Sud, Guatemala City	*Mail:* P.O. Box 400 *Cable:* Canadian *Tel.:* 5590
Hong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., Hong Kong	*Mail:* P.O. Box 126 *Cable:* Canadian *Tel.:* 28336
India	Richard Grew, Commercial Counsellor	Office of the High Commissioner for Canada, 4 Aurangzeb Road, New Delhi	*Mail:* P.O. Box 11 *Cable:* Canadian *Tel.:* 40191
India Burma	B. I. Rankin, Commercial Secretary for Canada	Gresham Assurance House, Mint Road, Bombay	*Mail:* P.O. Box 886 *Cable:* Canadian *Tel.:* 20672
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., Dublin	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor	Canadian Embassy, Via Saverio Mercadante 15, Rome	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 80-842
Italy	C. F. Wilson, Agricultural Counsellor		
Italy	M. S. Strong, Commercial Secretary (Fisheries)		
Jamaica Bahamas, British Honduras	M. B. Palmer, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, Kingston	*Mail:* P.O. Box 225 *Cable:* Canadian *Tel.:* 2858
Jamaica	E. M. Gosse, Canadian Trade Commissioner (Fisheries)		
Japan Korea	J. C. Britton, Commercial Counsellor	Canadian Embassy Tokyo	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 48-4116
Lebanon Iraq, Syria	G. F. G. Hughes, Canadian Government Trade Commissioner	Centre Urbain Emir Beshir, Bâtiment A1, Rue Emir Beshir, L'Azarieh, Beirut	*Mail:* Boîte Postale 2300 *Cable:* Canadian
Mexico	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, Mexico, D.F.	*Mail:* Apartado 126-Bis *Cable:* Canadian *Tel.:* 36-27-90
Netherlands	J. A. Langley, Commercial Counsellor	Canadian Embassy, Sophialaan 1-A, The Hague	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 18-51-06
Netherlands Belgium, Denmark, Luxembourg	Acting Agricultural Secretary		
New Zealand Fiji, Western Samoa	L. S. Glass Commercial Secretary	Office of the High Commissioner for Canada, Government Life Insurance Bldg., Wellington	*Mail:* P.O. Box 1660 *Cable:* Canadian *Tel.:* 70-644
Norway Denmark, Greenland	J. L. Mutter, Commercial Secretary	Canadian Legation, Fridtjof Nansens Plass 5, Oslo	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	A. P. Bissonnet, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., Karachi	*Mail:* P.O. Box 531 *Cable:* Canadian *Tel.:* 5826

Territory	Officer	City Address	Mail and Cables, Office Telephone
Peru Bolivia	H. J. Horne, Acting Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 71950
Philippines	F. H. Palmer, Consul General of Canada and Trade Commissioner	†Ayala Building, Juan Luna Street, MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48—1°D., LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Singapore Brunei, Federation of Malaya, Indonesia, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room D-5, Union Building, SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 7739
South Africa (Natal, Transvaal) Southern Rhodesia, Northern Rhodesia, Nyasaland, Mozambique, Kenya, Tanganyika, Uganda, Zanzibar	C. B. Birkett, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar	K. F. Noble, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	E. H. Maguire, Canadian Government Trade Commissioner	70 Avenida Jose Antonio, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 21-28-32
Sweden Finland	F. W. Fraser, Commercial Counsellor	Canadian Legation, Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	Yves Lamontagne, Commercial Counsellor	Canadian Legation, Thunstrasse 95, BERNE	*Mail:* (City Address *Cable:* CANADIAN *Tel.:* 4-59-17
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	Acting Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 4787
United Kingdom (South of England, East Anglia, Scotland), Iceland, British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor R. Campbell Smith, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701
United Kingdom	D. A. B. Marshall, Commercial Secretary (Agricultural)		
United Kingdom	R. D. Roe, Commercial Secretary (Timber)		*Cable:* TIMCOM

Territory	Officer	City Address	Mail and Cables, Office Telephone
United Kingdom (Midlands, North England, Wales)	M. J. Vechsler, Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	J. H. English, Commercial Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W., WASHINGTON, 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN †*Tel.:* DEcatur 2-1011
United States	Dr. W. C. Hopper, Agricultural Counsellor		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda	A. E. Bryan, Deputy Consul General of Canada and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States	M. B. Bursey, Consul of Canada and Trade Commissioner (Fisheries)		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	G. S. Patterson, Consul General of Canada	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	D. S. Cole, Consul General of Canada	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, CHICAGO 6	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* STate 2-7312
United States (Michigan, Ohio)	B. C. Butler, Consul of Canada and Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT, 26	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* WOodward 5-2811
United States (City of Los Angeles, Southern California, Arizona)	V. E. Duclos, Canadian Government Trade Commissioner	510 West Sixth Street, LOS ANGELES 14	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* VAndike 7114
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	G. A. Newman, Consul of Canada and Trade Commissioner	Canadian Consulate, 201 International Trade Mart, NEW ORLEANS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
United States (Northern California, Montana, Oregon, Idaho, Washington, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	Acting Consul General of Canada	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* SUtter 1-3039
Venezuela Netherlands Antilles	J. A. Stiles, †Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, CARACAS	*Mail:* Apartado 3306 *Cable:* CANADIAN *Tel.:* 55818
Venezuela Colombia	†Acting Agricultural Secretary		

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalents multiply by 1·0165.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Feb. 26*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1312	
		Basic buying	·1967	(1)
		Preferential selling	·1967	
		Basic selling	·1312	
		Free	·0708	
Austria	Schilling		·04605	
Australia	Pound		2·2195	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01967	
Bolivia	Boliviano	Official	·01640	tax 5% (1)
		Differential	·00988	tax 3% (2)
British West Indies	Dollar		·5780	(3)
	Pound		2·7744	(4)
	Dollar	Brit. Honduras	·6935	(1)
Brazil	Cruzeiro	Official	·05317	tax 8% (2)
		Free	·02489	
Burma	Kyat		·2081	
Ceylon	Rupee		·2081	
Chile	Peso	Official	·03168	(1)
		Commercial	·01638	
		Free	·00894	
Colombia	Peso	Basic	·3935	tax 3% (2)
		Coffee buying	·4273	
Costa Rica	Colon	Official	·1756	(5)
		Free	·1463	*Nov. 28
Cuba	Peso		·9837	tax 2%
Czechoslovakia	Koruna		·01967	
Denmark	Krone		·1424	
Dominican Republic	Peso		·9837	
Ecuador	Sucre	Official	·06558	(6)
		Free	·05680	
Egypt	Pound		2·8249	
Fiji	Pound		2·4994	
Finland	Markka		·00428	
France	Franc		·00281	
French Africa	Franc		·00562	
French Pacific	Franc		·01545	
Germany	D Mark		·2342	
Greece	Drachma		·000066	
Guatemala	Quetzal		·9837	
Haiti	Gourde		·1967	
Honduras	Lempira		·4919	
Hong Kong	Dollar	Free	·1614	*Feb. 13
Iceland	Krona	Official	·06041	
		Special buying	·04645	
		Special selling	·03774	
India	Rupee		·2801	
Indonesia	Rupiah	Basic	·08629	(7)
		Dollar certificate	·00183	*Dec. 15

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Feb. 26	Notes (See below)
Iran	Rial	Certificate I	·01164	*Jan. 28
		Certificate II	·01161	*Jan. 28
Iraq	Dinar		2·7744	
Ireland	Pound		2·7744	
Israel	Pound	Basic	2·7545	
		Special	1·3772	
		Investment	·9837	
Italy	Lira		·00158	
Japan	Yen		·00273	
Lebanon	Pound	Free	·2744	*
Mexico	Peso		·1137	
Netherlands	Guilder		·2589	
Netherlands Antilles	Guilder		·5216	
New Zealand	Pound		2·7744	
Nicaragua	Cordoba	Effective buying	·1490	(8)
		Official Selling	·1395	
		With Surcharge I	·1222	
		With Surcharge II	·0979	
Norway	Krone		·1377	
Pakistan	Rupee		·2973	
Panama	Balboa		·9837	
Paraguay	Guarani	Basic	·06559	(1)
		With Surcharge I	·04684	(9)
		With Surcharge II	·03279	
Peru	Sol	Certificate	·06226	
Philippines	Peso		·4917	tax 17% (2)
Portugal	Escudo		·03428	
El Salvador	Colon		·3935	
Singapore & Malaya	Straits dollar		·3237	
South Africa (Union of)	Pound		2·7744	
Spain & Dependencies	Peseta	Basic buying	·04492	
		Basic selling	·08768	(1)
		†Basic commercial selling	·05989	
		Free	·02497	
Sweden	Krona		·1902	
Switzerland	Franc		·2295	
Syria	Pound	Free	·2613	*Dec. 15
Thailand	Baht	Official	·07870	(1)
		Free	·05729	*Nov. 28
Turkey	Lira		·3513	
United Kingdom	Pound		2·7744	
United States	Dollar		·9837	
Uruguay	Peso	Official	·6476	
		Basic buying	·5526	
		Special buying	·4186	(1)
		Basic selling	·5177	
		Special selling	·4015	
Venezuela	Bolivar		·2937	(10)
Yugoslavia	Dinar		·00328	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective rate for all Indonesian dollar exports is basic rate plus 70 per cent of dollar certificate rate. Exchange rate for other than essential imports is basic rate plus $33\frac{1}{3}$ per cent, 100 per cent or 200 per cent, depending on the import category of the product. Cost of dollar imports is increased by full amount of dollar certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to all Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

PREVIEW of Britain's latest goods, to be shown at the B.I.F., in a million square feet of space, by 3,000 manufacturers.

Reserve your copies now!

For greatest pleasure and profit from your visit to the B.I.F. in Coronation Year, reserve your advance copies of the catalogues, and make your travel and hotel reservations at once.

With your accommodations secured you can study the catalogue listings of 3,000 British manufacturers, at leisure, before your visit.

Mail the catalogue coupon today—and if you need advice or assistance, your nearest United Kingdom Trade Commissioner will be glad to help.

Please mail my FREE advance B.I.F. Catalogues

Name ____________________

Company ____________________

Address ____________________

Pin this coupon to your letterhead and mail to your nearest United Kingdom Trade Commissioner

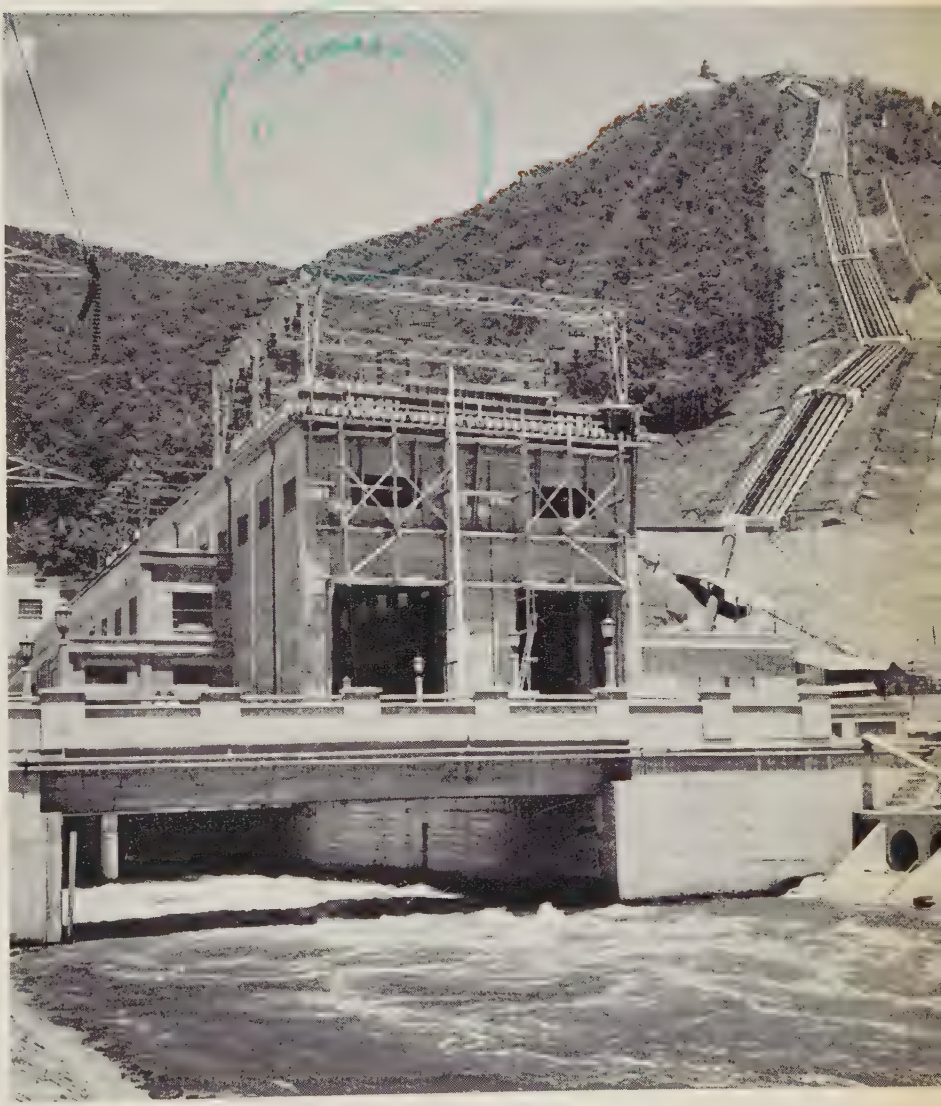
56 Sparks St., OTTAWA 4
1111 Beaver Hall Hill, MONTREAL 1
67 Yonge St., TORONTO 1

403 Royal Bank Bldg., WINNIPEG
10053 Jasper Ave., EDMONTON
850 Hastings St. W., VANCOUVER

ft

foreign trade

MARCH 14, 1953



Exporting Capital Goods (page 2)

foreign trade

VOL. 13 OTTAWA, MARCH 14, 1953 NO. 324

COVER . . . This power-ouse at Cubatao, Brazil, vhich transmits power to both he Rio de Janeiro and Sao 'aulo areas, is typical of the ydro-electric installations vhich Canada has designed, uilt and supervised in Latin merica. For a story on the echnique of finding larger verseas markets for such cap-tal goods, see page two.

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

Exporting Capital Goods

Experience in several countries proves that engineering "know-how" has become a valuable export—and indispensable to increased sales abroad of capital goods.

IN CANADA in the last ten years, technical development has progressed amazingly and Canadian organizations have pioneered much of this activity. In fact there are a number of leading professional service companies capable of making analyses and reports on a proposal that ultimately becomes an economic development. Such action is normally followed by the manufacturer of equipment.

In spite of this, Canada imports each year millions of dollars worth of professional engineering services. The reason is not lack of opportunity for Canadian professional firms but, almost entirely, lack of process knowledge for the preparation of flow charts and the design and development of large equipment for production. In some fields, however, Canadian organizations are as competent as any to undertake engineering work and the basic process development right through to completion of construction and turnover of plant. This is especially true of pulp and paper, hydro-electric power, base metal mining, canals and transportation, and harbour terminals. Canadian organizations have specialized in aerial, geophysical and geodetic surveys and in forest management, but most of these projects have been undertaken in Canada.

Demand from Foreign Countries

The Colombo Plan has stirred up interest among Canadian engineering industries and constructors generally in the need for engineering and capital goods in foreign countries. It therefore seems timely to re-examine the position of the capital goods industries and the services which they may have to offer in fostering foreign business. Among the factors which affect their prospects are technical capacity, competitive pricing, and access to finance. There is a tendency for capital goods exports and foreign investments to go together. Even where this does not hold true, dollar scarcities may continue to be a problem for Canadian export and engineering services, except in hard currency areas or where the United Nations agencies are providing the finance. However, Canadian capital may be interested, in whole or in part, in certain types of projects.

Association of Companies Needed

Experience has shown that the individual specialty consulting organization is not the type of engineering needed for export business. It requires rather a consortium of responsible companies to look after engineering, construction and erection. One organization of this type—the first of its kind for Canada—has already been formed here. Already

it has undertaken an assignment outside Canada, an important project that will benefit Canadian industry to the amount of nearly six million dollars.

Because of the needs of the defence program, little has been done towards developing this type of service for export in the last two years. But if we are to compete in the export market, we must have a consortium of companies organized to meet this situation. Foreign inquiries for plant equipment seldom include prepared drawings and specifications. Often they originate in countries without facilities for design and development and the pattern of the tender calls for not only the sale of blueprints and economic and engineering surveys, but the shipment of tailored plants and machines, erection, supervision in initial operation, and the training of foreign experts.

Exporting Technical Knowledge

Exports of technical knowledge almost always go hand in hand with exports of materials and equipment. Once the technical knowledge has been exported, it will bring recurring orders for products, spare parts, replacements and additional equipment. Technical assistance is exported primarily to nations which are industrializing—some of these nations, especially in Latin America, at a rate comparable to Canada's. It is in this part of the world that Canada has designed, built, shipped, erected and supervised in the early stages large hydro-electric installations. This policy of foreign investment in recent years in Latin America has not only paid off in substantial dividends but has also brought to Canadian industry orders worth millions of dollars.

One Canadian company supplied the generator and another the Francis-type turbine for this Ilha dos Pombos plant on the Paraiba River in Brazil.

69532—1½

In the United States technical knowledge is now a leading export, exceeding $500 million a year. Literally hundreds of large industrial plants abroad, now in operation, have been built and supervised for a time by American engineering firms and manufacturers. The Americans describe this commodity as "know-how" and the variety of enterprises making up know-how exports is astonishing. These projects range in value from a few thousand to many million dollars. Other American engineers and firms are selling their skills to private companies and to foreign governments striving to modernize and expand their industries.

British Experience

British engineering firms have had experience all over the world and their work is perhaps more diversified than that done by engineering firms of any other country. Their achievements can be seen practically everywhere and include dams and reservoirs, hydro and thermal electric power stations, water supply, irrigation and sewerage schemes, steam and electric railways, harbours and docks, structural work for large buildings, chemical and other industrial plants. A number of British organizations are today carrying out important work both for governments and industrialists in many countries—and they fully understand why the services they have to offer are becoming increasingly necessary.

This is an era of specialization and advice must be obtained from companies which specialize in a particular field of engineering. There are three main divisions—civil, mechanical and electrical—but within these three are further degrees of specialization. Some of the larger firms cover practically the whole field of any one of the main divisions but if so, they contain a number of special departments. Modern engineering is far too complex for any one person, or a small number of people, to have completely up-to-date knowledge of every branch.

Investigating New Developments

In its report for the year 1950-51, the Department of Scientific and Industrial Research in the United Kingdom said: "It appears incontrovertible that, if we are to advance or even to maintain our industrial position, we must as a nation aim at such developments in scientific and industrial research as will place us in a position to expand and strengthen our industries and to compete successfully with the most highly organized of our rivals". This view is still sound.

Many factors are involved in the creation and maintenance of the manufacturing activity of a community. But in these days of scientific development, the practical application of the latest advances, and investigation leading to new ones, become of first importance in building up and sustaining industrial leadership. The British people realize that the way of the exporter is not easy, that the seller's market of the last seven years has gone and that competition has intensified.

It was British engineers who created the steam engine and the first textile machine and who pioneered in the use of coal in the production of iron. As a result of the steam engine, British mechanical engineering received its greatest stimulus, the great railway boom which followed. When the rest of the world wanted railways and docks, Britain was ready with the plant, the experience, the capital and the skill to supply them.

One of Britain's main contributions to engineering recently has been the jet aircraft engine. The United Kingdom holds world patents on it and receives substantial royalties from countries now making this type of engine under licence.

German Engineering Achievements

In Germany, the most important early developments in engineering practice were in the mining and metallurgical industries. The first steam engines outside of the United Kingdom were built in Germany and the rapid increase in the use of steam power was the greatest single factor in the development of industry in the first half of the 19th century. Among important German contributions to railway engineering was a locomotive built in 1904 which attained a speed of over 90 miles an hour. In 1925 Germans produced the first high pressure locomotive using a boiler of 900 pounds per square inch and in 1927 the first turbine-driven locomotive.

Germany pioneered in the production of steel and at the great 1851 Exhibition held in London, Germany showed a solid, flawless ingot of cast steel weighing two tons—and caused a sensation in the industrial world. Soon afterwards, Germany developed welded steel tires for railway vehicles and made great strides in artillery and weapons of war.

Among other great developments in German engineering during the last century was the electrical industry. The many inventions included telegraphic apparatus, insulation for cables, the principle of self-excitation for dynamos. German engineers played an important part in the development of the internal combustion engine and the principal credit for the development of liquid fuel engines, (more commonly known as diesels) goes to German engineers. It is unfortunately impossible to draw any direct comparison between the German engineering industry and those of Great Britain and the United States. Germany, however, has been able to reap a rich harvest by systematic development of design and manufacture of plant. This has enabled the Germans to maintain a large and valuable export trade in this field.

Dutch in the Field

Dutch engineering organizations have for many years placed their knowledge and experience at the disposal of other nations. Dutch engineers have specialized in and gained a unique experience of hydraulic engineering. For years Dutch engineering has been sought for dams and reclamation works, harbours and canal projects and, later, for dredging operations in practically every country. The desire of Netherlands engineering companies to export engineering "know-how" has led to the establishment of Nedeco, the central organization for Netherland engineering consultants. Its job is to study, plan and advise on public and private engineering projects in other countries. Dutch experience includes that gained by Dutch engineers in Indonesia and in the West Indies under tropical and sub-tropical conditions.

As early as the 17th century, Switzerland was among the most highly industrialized countries in Europe and today industrial products rank high in the expansion of Swiss foreign trade. The late 16th century saw the rise of industrial activity in Switzerland. This expansion ran parallel to the development of foreign trade. Switzerland built up new industry

and expanded old crafts by a policy of taking in French, Italian and Dutch refugees. Switzerland is probably best known for its watchmaking industry introduced by a French refugee but her present production is by no means confined to watchmaking. By adopting new production techniques and gradually eliminating the domestic crafts and tools, Switzerland introduced the universal engineering production which today characterizes her foreign trade.

Swiss Design Outstanding

The Swiss machine tool industry turns out machine tools that are second to none and Swiss design in this field has produced outstanding results. Optimum precision is the most conspicuous feature of Swiss machine tool building practice, perhaps the result of long concentration on watchmaking. Swiss machine tool constructors have worked hard to develop special purpose machines for single operations or a combination of operations, and have evolved original and advanced designs.

Swiss name plates are found on large water turbines throughout the world. Turbine designers have constantly improved their designs, perfecting the details and striving to keep as up-to-date as possible. To test their ideas they have built costly research laboratories where qualified engineers, using modern equipment, apply recent scientific discoveries to turbine design. At the turn of the century, when the construction of piston steam engines in Switzerland was at its peak, enterprising and far-seeing Swiss firms were already designing and building steam turbines and diesel engines. Swiss engineers were working on the gas turbine as early as 1909.

In the electrical field, Switzerland builds large generating units of various types and specializes in equipment which, instead of using atmospheric air, employs hydrogen gas for closed circuit cooling. A number of other engineering companies of international repute make a wide variety of capital goods, drawing on Swiss design and development.

Selling Process Knowledge

Norway, Sweden, Denmark, Belgium, France and Italy also have developed highly efficient engineering industries which contribute in varying degrees to their exports. The geographical position of these countries, and the efficient network of waterways and railways, help to make their products highly competitive. They can compete in world export markets because they have been able to offer exclusive manufacturing processes and can make a direct contribution to the economic and technical development of many other countries.

These examples serve to illustrate the value of the sale of process knowledge, not only to the country giving it but also to the country receiving it. This is a good time for Canadian professional engineering services and capital goods manufacturers to examine the services which they might offer in fostering foreign business in this field.

—E. C. Thorne
Machinery and Metals Section,
Commodities Branch

U.S. Exhibits Sell Furniture

DETROIT—The furniture market of the United States falls into two broad groups. The first consists of mass-produced lines to sell in volume at low prices, and the second of quality and specialty items for discriminating furniture buyers. It is in the second group that Canadian goods have the best opportunity of attracting U.S. buyers.

Mass-produced lines are mainly manufactured in the southern and southeast states. North Carolina ranks first and Virginia second in volume of production, but the acknowledged manufacturing and marketing centre for quality furniture is the Grand Rapids area of the State of Michigan.

Grand Rapids Furniture Exposition

The Grand Rapids Furniture Exposition was established in 1878 and since then bi-annual exhibits have won world-wide fame for their leadership in design. This area sets the style for the rest of the American industry and it is often called the "Paris of the Furniture Fashion World".

One unique feature of the January and July furniture shows in Grand Rapids—and one of considerable interest to Canadian manufacturers—is that firms from outside Michigan are welcome to show their wares. On a visit to the 1953 January show I myself found exhibitors from 14 states and from Canada. However, officials of the Grand Rapids Furniture Exposition Association pointed out that they will accept for display only goods of the highest quality, because they are determined to protect the reputation of their show.

One Montreal manufacturer of French Provincial furniture has taken space in the Exposition for the past six shows and reports as a result profitable business in the United States. This company plans to continue exhibiting.

The Grand Rapids furniture shows regularly attract over 3,000 buyers in two weeks. Buyers from every state of the Union, from five Canadian provinces and from several Latin American countries attended the recent January show. The large Canadian department stores send buyers and two of these stores are dealer members of the Grand Rapids Furniture Guild. This is an organization of ten manufacturers formed to assist in displaying member companies' products in retail stores. A similar organization known as the Executive Furniture Guild has at least one Canadian distributor as a member.

The furniture market in the United States is tremendous and the volume and value of merchandise delivered in 1952 reached new highs. Factory sales of furniture to dealers throughout the country in recent years were as follows:

1952	$1,555 million
1951	1,550 "
1950	1,510 "
1949	1,135 "
1948	1,335 "

Furniture buyers at the January show were quite optimistic about the prospects for 1953 and expected a definite upswing in furniture sales for at least the first half of the year.

Canadians Should Exhibit

In selling furniture, there is no substitute for display and buyer inspection. Canadian manufacturers of quality furniture who wish to investigate the United States market are advised to consider the following steps:

- Arrange to exhibit at the Grand Rapids Furniture Exposition. Details on space rental and other services available may be obtained direct from Chas. F. Campbell, Secretary-Treasurer, Grand Rapids Furniture Exposition Association, 427 E. Fulton St., Grand Rapids, Michigan.

- Show only those lines that are distinctive and of the highest quality. It would not be practical to try to compete with U.S. firms in standard and lower-priced items.

- Displays must be attractive. Many of the established firms have permanent showrooms in the exhibition buildings and their dramatic settings set the standard with beautiful accessories, rugs, drapes, and paintings.

- Be prepared to quote prices laid-down in the larger U.S. cities. U.S. manufacturers can quote on an f.o.b. factory basis, but buyers usually expect foreign firms to quote prices that include duty, exchange, and freight to a centre near their place of business. Most wooden furniture enters the United States under Tariff Item 412 at 12½ per cent ad valorem. Chairs are an exception, at 20 per cent ad valorem under the same tariff number, and aluminum furniture at 22½ per cent ad valorem under Tariff Item 397.

Opportunity for House Furnishings

House furnishings such as lamps, draperies, paintings, mirrors and bric-a-brac are also displayed at the Grand Rapids shows, although they occupy only a small portion of the total space. Canadian firms with distinctive or novelty items might consider these shows as a means of testing the United States market.

—J. H. Bailey
Vice-Consul of Canada and Assistant Trade Commissioner

What's New in Packaging?

Once every two years, Olympia, in London, is the setting for the National Packaging Exhibition. There the ingenuity with which British industry tackles the problem of packaging everything from biscuits to racing cars get full play. This year's exhibition, the third, ran from January 20-30 and drew thousands of visitors.

Among the more interesting exhibits were:

- A complete plastic envelope for parcelling a racing car before it is crated for shipment overseas.
- An automatic string-tying machine, which adjusts itself to any size or shape of package or bundle and ties the knot in 1½ to 2 seconds.
- A vacuum package within a flexible bag, made by laminating two films of plastic material in such a way that a vacuum is created inside.
- A packing and weighing unit for free-flowing powders, electronically controlled by a photo cell to ensure a steady flow of material to the weighing point.
- A portable paper counter that counts stacks of paper and records the count at a speed of 500 sheets per second.

Finland's Fair

Back in 1920, the first Finnish Industries Fair was held at Helsinki and, year by year, it has reflected Finland's progress. The 1953 Fair, which will take place from March 20-29, will show the ways in which industries in the country expanded under the compulsion of paying war reparations to the Soviet. This was especially marked in the metals industries. Now that the reparations have been completed, Finland is making a new bid for export markets.

Exhibits at the Fair will be grouped under 32 categories, ranging from articles for sports, hunting and fishing, to travelling requisites and vehicles.

Appointment in Sweden

On August 22nd, the eleventh annual St. Eriks Fair will open in Stockholm, Sweden, and will run to September 26. First inaugurated in 1943, the Fair has grown steadily in importance and has attracted more and more exhibitors and visitors. Last year the area taken up by displays was 105 thousand square metres, exhibitors were drawn from 24 countries, and some 401 thousand people visited the fair.

Cost of indoor space will be 50 kroner (about $9.35 Can.) per square metre, including insurance against fire and burglary up to 25,000 kroner for each exhibitor. Open air space will cost 15 kroner (about $2.80 Can.) per square metre, including insurance. It is expected that exhibitors who pay all their expenses in dollars will receive some special treatment in the granting of import licences for items otherwise restricted.

Further details of the fair may be obtained from the Commercial Attaché, Royal Legation of Sweden, 720 Manor Rd., Rockcliffe Park, Ottawa.

69532—2

British West Indies

Is Federation Closer?

With four of the colonies accepting it in principle, and their representatives slated to meet in London shortly, the BWI Federation seems to be moving a step nearer.

WEST INDIAN FEDERATION, long mooted, moved a step nearer recently when the Colonial Office announced that the legislatures of Jamaica, Trinidad, the Windward Islands and the Leeward Islands (with the exception of the Virgin Islands) have accepted the idea in principle. Within the next month or two, representatives of the legislatures of these four colonies will go to London to discuss the proposed federation in detail. No agenda has been announced but it is assumed that the talks will cover, among other things, timing, planning, financial arrangements, administrative arrangements, and the location of the capital. The problem of a BWI customs union may also be analyzed.

Bermuda and the Bahamas are not included in the federation scheme, and British Guiana and British Honduras have indicated they are not interested. Barbados, east of the Windward Islands, is considering federation but has not yet reached a decision. The Virgin Islands, part of the Leeward group, are opposed to federation but will send an observer to London.

Preliminary Proposals

Various bodies in the islands have already done preliminary work on federation. At a conference on the closer association of British West Indies Colonies held in Jamaica in September 1947, the Standing Closer Association Committee was set up to investigate political federation. In 1950, the committee published a report which went into detail on what a federal government should be enabled to do and with what resources. Where possible, the appropriate constitutional machinery was proposed.

The committee suggested that the power be vested in a federal legislature consisting of a Governor General, Senate and House of Assembly. In general, it agreed that the functions of the various local governments should be defined and that the proposed federal government have residual powers. It recommended that the federation's revenues, until other sources are allocated to it, should consist of 25 per cent of the customs duties levied on imports into the territories, postal duties, and other incidental income.

Another outcome of the "Closer Association" conference in 1947 was the formation of the British Caribbean Customs Union Commission to investigate the establishment of a customs union with the colonies. The Commission published a lengthy report on this subject in 1951. The most important proposals were:

• *That a common tariff be established.* The Commission has set up a confidential list of commodities and proposed common tariff rates which are recommended as the nucleus of the common external tariff. Agreement was reached on 643 tariff items out of a total of 682. The major commodities on which no agreement was reached was alcoholic beverages, tobacco, perfumes, cotton piece goods, petroleum products and matches. It was recommended that the tariffs on these and some other items be left to the individual colonies for revenue. The Commission has established a working average margin of tariff preference based upon the commitment to Canada embodied in the Canada-BWI Trade Agreement of 1925. The Commission recognized that this agreement sets out *minimum* preferential tariff margins for each of the colonies.

• *That a free trade area be set up.* In the absence of political federation, under which all customs duties would be collected by a central authority, the Commission agreed that it is necessary for each colony to obtain its own tariff revenue. The Commission has established a method of achieving this and of minimizing controls over inter-island trade.

• *That the unification of excise duties be postponed* because the colonies differ widely in their dependence on revenue from these duties. The imposition, levying and collection of excise duties would remain a function of individual colonies. Member colonies would also reserve the right to continue levying export duties.

• *That common custom laws be introduced* based on the Model Customs Ordinance of 1938, drafted by the Secretary of State for the Colonies. The Commission has set up a draft of these customs laws. Customs regulations would be standardized among the colonial administrations and would be based on those in force in Trinidad and Jamaica.

• *That a common tariff structure, nomenclature and units of charge be adopted.* The tariff structure is designed also to serve as the structure for a common statistical classification for exports as well as imports. Jamaica would be the centre of the statistical agency.

• *That a central controlling or co-ordinating authority be organized* which, in the event of a political federation, would serve as a Federal Customs Board with absolute powers in tariff-making and tariff agreements. Failing this, a Customs Union Advisory Board should be appointed to forestall customs charges by member governments which might conflict with the ultimate goals of the agreement. The individual governments would retain their sovereignty in customs matters but strive to attain as great a degree of standardization as possible.

In addition to the work done by the Standing Closer Association Committee and the BWI Caribbean Commission, independent action has been taken on the unification of currency. At a currency conference in 1946, a preparatory committee was set up to work out a method for the unification of currency in the eastern group of colonies—Barbados, British Guiana, Trinidad, the Leeward and Windward Islands. As a result, decimal-system notes went into circulation in August 1951 in these colonies. The unit of account is the BWI dollar.

—June Clarke

International Trade Relations Branch

69532—2½

The Boating Market in '53

With more Canadians taking to the waterways, with new types of craft appearing, and with an enterprising industry at work, sales of boats should soar during the spring and summer.

OTTAWA—As this issue goes to press, the curtain rises on the Canadian National Sportsmen's Show, being held in Toronto from March 13 to 21. This show is looked upon as the watercraft show window of Canada, affording manufacturers of boats, marine motors and accessories an ideal setting for introducing their 1953 models and designs. Last year well over 200 thousand people attended it, including some 1,500 dealers.

This particular time is, therefore, a pertinent moment to ask "What's the outlook for the boating market in 1953?"

Inquiries made of representative boat-builders in all parts of Canada yielded seven answers, all more or less alike.

• Public interest in boating is at an all-time peak. The main factors contributing to this encouraging situation are the adoption of the five-day week by many industries; the migration from thickly populated cities and towns to Canada's waterways to escape summer heat, and the fact that wages and salaries are at a peak.

• This great boating interest is reflected in the slightly upward trend of production, according to figures supplied by the Dominion Bureau of Statistics.

Year	Gross selling value at works
1946	$4,906,259
1947	5,432,514
1948	5,410,426
1949	5,771,913
1950	5,628,858
1951	7,130,624

• Not only do prospects for watercraft look favourable for 1953, but sales of outboard motors and accessories may also outstrip previous records.

• In spite of a scarcity of well-seasoned, indigenous lumber and a dearth of skilled craftsmen, there will be a buyer's market, with aggressive selling by dealers and distributors.

• Several large city stores, especially those in the vicinity of lakes and rivers, have extended their watercraft departments.

• The growing production of boats made of plywood, aluminum, plastic, fiberglas and materials other than wood is adding to the number of boating devotees.

• Increased interest in selling abroad—particularly to the U.S.A. and other dollar markets—is being shown by Canadian producers.

This 27-foot inboard cruiser, made by an Ontario firm, was the largest Canadian boat on display at the National Motor Boat show held last January in New York. Canadian boat-makers are now pioneering U.S. markets.

Selling to the U.S.

Every manufacturer approached for his views on sales possibilities during the current year emphasized that both domestic and export markets must be tapped to the limit. The tendency today, they say, is to pay increasing attention to the United States market, particularly because of the favourable customs tariff on Canadian craft. In recent months several enterprising Canadian boat builders have taken exhibit space in some of the leading boat shows across the border, such as those in New York, Cleveland and Chicago, to try and get new dealers and distributors to handle their lines.

Sensing the growing interest in Canada's boat industry demonstrated by representative U.S. watercraft sales outlets, four distinctive models from Canadian factories were displayed during January and February in the Canadian Showroom, Rockefeller Center, New York. The four samples (all outboard models of 13-foot length) included a longitudinal cedar strip design, and models in aluminum, moulded plywood and fiberglas.

It is not surprising, therefore, that Canadian boat companies have been making new contacts and developing new sales outlets in the United States. Only recently one Ontario producer received an order for 150 twenty-foot hulls (excluding the engine) from a Buffalo, N.Y., house. The hulls are being built to the American company's specifications and may only be sold through this one outlet. It is said to be the largest single order for inboards ever placed with an Ontario boat builder. Two complete hulls are being turned out each day until the contract is completed.

A Nova Scotian producer specializing in moulded hulls tried an interesting experiment that seems to be paying off. Some 30 months ago this firm decided to make all its designs available to any plant building boats from their moulded hulls and to offer technical advice and assistance. This service has, they report, become extremely popular and a sort of "community" or "family" of builders has grown up around it. The result has been a striking increase in moulded hull sales to the U.S., and scheduled shipments for 1953 are well ahead of 1952.

To capitalize further on American interest in these moulded hulls, and in their regular line of moulded plywood boats and runabouts, the Nova Scotian company took space at the 1953 National Motor Boat Show in New York. Two other Canadian boat builders were also represented there.

Development Pays Off

Such development work by Canadian manufacturers has achieved results, as the following DBS figures for 1952 show:

	1952 Sales in $
Boats, Canoes and Parts	
United States	426,203
Mexico	6,539
Belgian Congo	6,510
Venezuela	3,570
Cuba	2,881
British Guiana	1,811
New Zealand	1,292
Leeward, Windward Is.	1,289
Colombia	825
St. Pierre	756
Other countries (seven)	1,579
	453,255
Gasoline Launches and Yachts	
United States	460,916
St. Pierre	206
	461,122

The following table shows Canada's exports of watercraft for the past five years:

	1948	1949	1950	1951	1952
Boats, canoes and parts, n.o.p.	$212,034	$165,104	$224,666	$310,638	$453,255
Gasoline launches	509,460	347,924	245,125	257,263	461,122

The impression gained by Canadian visitors to the National Motor Boat Show in New York was that spending on boats is no longer confined to a few wealthy individuals. Thousands of budget-minded wage-earners now spend comparatively small amounts on this hobby. The same trend appears to apply here in Canada.

To meet this expanding market, boat builders, inboard and outboard engine manufacturers and members of the marine trades in general are developing many new products and offering new services. Very marked is the trend toward mass production of boat kits in knocked-down form, which a buyer can put together with a limited amount of know-how. Recently a new company was formed in Canada to build under licence boat kits manufactured by an American firm. These boat kits comprise a number of models, from an 8-foot seashell pram (some 26 thousand of which are now in use) to outboard skiffs and runabouts in 10, 12 and

14-foot sizes. Moreover, the line includes kits for 18-foot weekend cabin cruisers for outboard power. Each kit is prefabricated and complete building instructions and details come with every one. Another trend is the ever-widening production of standard hulls, prefabricated or moulded of plywood or plastic in a central plant, for completion and refinishing by local builders.

Standard Models Popular

Notwithstanding these new developments, sales of standard and custom-made models, both in inboard and outboard design, also grow from year to year. In fact, well over 225 boat manufacturers in Canada (both large and small) are engaged wholly or chiefly in the production of small watercraft such as rowboats, canoes, sailboats, motorboats, launches and kindred lines. These producers are located in almost all the provinces, with the largest concentration in Ontario, B.C., Nova Scotia and Quebec. The total number of employees in this industry in 1951—the latest year for which figures are available—was 1,531, with salaries and wages totalling $3,132,876. Materials used in the actual construction of boats during that year cost $2,643,394.

A national census of recreational watercraft has not been taken, and therefore it is difficult to gauge accurately the comparative growth of Canadian boating. However, authoritative sources indicate that Canadian waterways are the summer playground for 100 thousand inboard motorboats and half a million outboards and other craft, including canoes, rowboats, sailboats, etc. This means that approximately 600 thousand privately-owned recreational craft operate on coastal waters, inland lakes and rivers during the season—or one to every 24 of the population. In the United States, with the natural increase anticipated this year, there appear to be something over five million privately-owned boats, or one for every 32 persons. On a *per capita* basis, therefore, Canada leads in boat ownership.

Promoting the Sport

Taking an active part in promoting boating in all its ramifications in Canada are two promotional media: *Boating* magazine, published in Toronto, and the Canadian Boating Federation Inc., which was granted its charter in 1950. The objects of the Federation are:

- To promote the use of boats for recreational purposes.

- To safeguard and further the interests afloat of those who know and operate boats.

- To offer rules of conduct for the safe operation of watercraft.

- To govern trials of their speed, their endurance or navigational skill and to formulate rules for such competitions as its members may from time to time desire.

- To foster the development of Canadian waterways and harbours to the benefit of its members and all those operating small vessels on Canadian lakes, rivers and coastal waterways.

- To further the above objects in the marine industry of Canada.

Among those eligible for membership in C.B.F. are any permanently organized Canadian motorboat club, yacht club, boating club, or association of such clubs, with a regular paid-up membership of ten or more; and any Canadian association or organization with more than ten regular paid-up members devoting its attention in whole or in part to the promotion of boating through efforts such as racing motorboats or yachts.

Trade members have been designated as: any Canadian firm engaged wholly or chiefly in the designing and/or building, selling, servicing, repairing, equipping, of pleasure craft, both sail and power, and those manufacturing and selling engines or equipment for use therein.

Canadian boat-owners, according to the secretary of the Federation, have followed the lead of their U.S. colleagues in organizing themselves. The Canadian Power Squadrons are patterned after the United States Power Squadrons, whose help was sought and readily given at the beginning of the first squadron in Toronto. There are now 11 squadrons across Canada with a total active membership of over 400, double that of two years ago.

Licensing of Watercraft

The licensing of small vessels in Canada is under the jurisdiction of the Department of Transport in Ottawa, which administers the Canada Shipping Act. According to the Department, identification of motorboats in Canadian waters is comparable to the identification of motor vehicles on the highways—it protects both motorboat owners and the boating public.

Under the Small Vessels Licensing Regulations it is now necessary to have all motorboats licensed if they are powered by inboard or outboard motors of ten h.p. or more, and do not come under the ten-ton registry requirements. Motorboats below ten h.p. may also be licensed for the owner's protection. Licences are issued without charge. Owners are required to have the customs port number and serial licence number plainly marked on bow and stern of their craft.

Motorboats must be equipped with necessary lifesaving appliances, fire extinguishing equipment, navigation lights and means for making sound signals. Precautions must be taken against fire. Penalties for infraction of the licensing regulations and for failing to carry the proper equipment are provided under the Canada Shipping Act.

Part Played by Dealer

The retailer handling boats and other marine equipment is an important link in the chain of distribution. Some of Canada's leading boat builders have, in recent years, been stressing to the dealer that it is essential to maintain stock at least 30 days ahead of estimated demand. That is because sales are often lost simply because the customer refuses to wait for delivery.

The builders are also emphasizing the need for advertising, promotion, and selling. Most producers do their part by way of publication advertising and by supplying a reasonable selection of promotional literature, sales aids, etc. All this effort, however, is largely dissipated unless the dealer carries the ball from there on, and uses effectively the manufacturer's promotional scheme.

Leaders in the industry also consider it vital that dealers keep customer and prospect files. These, they say, should be up-to-date and should show the type or brand of equipment the prospect is interested in, as well as what he owns. A note on his fishing habits may also prove profitable. If the customer uses a boat primarily for pleasure, the dealer should find out the number of persons in his family and their ages. One dealer in Quebec is said to keep a birthday file. He sends the prospect's wife a notice about three weeks ahead of time, suggesting boating items which he knows the man wants.

Actual demonstration is also most important. Construction features and general appearance can be shown in the store but performance is another matter. Anyone who is serious about the boat business should have ample facilities for actual demonstration.

Prompt and dependable repair service is also a must for the dealer who is seeking the customer's goodwill. The best of watercraft are subject to severe wear and tear and the customer whose craft is laid up because his dealer has fallen down on the job will not be long in taking his boat somewhere else for the necessary overhaul.

Sales Research

In the United States a nationally known marketing organization has, it is understood, been conducting research to determine some of the underlying factors affecting boat sales. They have come up with a wealth of information on which the U.S. industry can base its thinking. One of the most interesting points brought out in their research was the relationship between boat and motor sales, and between sales and personal income. The studies revealed the effect of disposable (or spendable) national income on purchases. They discovered too that 75 per cent of outboard motor owners who bought for other than commercial purposes gave fishing as the main reason.

Now that the industry is putting some of these fundamental selling principles into practice, and now that Canada's national income has risen to a new high most Canadian boat producers predict that we are headed into a record-breaking sales year.

—P. Grant Jones
Acting Chief, General Products Section
Commodities Branch

Transportation

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

COMMODITY NOTES

ARGENTINA

Rice—The Ministry of Industry and Commerce has announced a provisional export quota for rice from the 1951-52 crop of 5,000 metric tons. The quota for the previous year was fixed at 7,800 tons. The 1951-52 crop of 173,900 tons was a record. In establishing this initial quota, the authorities are ensuring that domestic requirements are fully covered before any is sold abroad—Buenos Aires, February 23.

BRAZIL

Cement—The Companhia Brasileira de Cimento Portland Perus has just received equipment valued at $2 million with which it expects to boost production within 120 days to 700 thousand bags of cement a month. The company's director says that, when these installations are completed, the country will save almost $10 million a year in foreign exchange. By 1954, the firm expects to attain a monthly production of one million bags, making Cimento Portland Perus the largest cement factory in the world—São Paulo, February 10.

COLOMBIA

Asbestos—"Asbestos Colombia S.A.", a firm with a capital of a million pesos, is being formed in Colombia to prospect for asbestos and to exploit the known deposits in the Department of Antioquia. The capital is being furnished by several Colombian firms together with Johns Manville Corporation of New York. This marks the first serious attempt to exploit asbestos in Colombia, although the deposits have been known for many years—Bogota, February 24.

IRELAND

Bacon—A new bacon factory will be built in the near future at Naas, Co. Kildare. Production should begin by the end of October 1953. The factory, which will be run by the newly formed Kildare Bacon Company, will employ 30 people and will process 500 pigs a week. Besides the curing of bacon and ham, sausages will be produced and some of the products will be canned for the home and overseas markets, chiefly Great Britain—Dublin, February 12.

ITALY

Endothermic Steam—Following successful research into the use of endothermic steam, a new well was opened at Larderello near Pisa in September 1952, yielding 100 thousand kgs. of steam an hour. At present a total of 180 million kwh. a year of electric power is obtained from endothermic steam—Rome, February 7.

JAPAN

Titanium—The Osaka Titanium Manufacturing Company plans to double its production of titanium metal from 4·5 tons to nine tons a month. The expansion project will cost about $1·2 million—Tokyo, February 5.

PORTUGAL

Rice—The Minister of Economic Affairs has authorized the export of 11 thousand tons of rice for the year 1953. Exports in 1952 were similar. It is interesting to note that 3,000 tons of this have been shipped to Southeast Asia which formerly supplied Portugal's rice requirements—Lisbon, February 14.

SWEDEN

Pulp—Sweden's share of world pulp production decreased from 15 per cent in 1938 to 10 per cent in 1952. During the same period, sales of pulp to America declined from 40 per cent of total pulp exports to 10-15 per cent. Exports to the European market increased from about 50 per cent of total prewar pulp exports to about 75 per cent in 1952—Stockholm, February 12.

UNITED STATES

New England Potatoes—Estimated 1952 potato production in New England of 57,847,000 bushels is 10 per cent above the 52,746,000 bushels harvested in 1951 but 20 per cent below the ten-year average of 72,130,000 bushels. Yields in New Hampshire at 240 bushels per acre were near the record. In Maine yields were highly variable as a result of unstable weather conditions during the growing season—Boston, February 23.

WEST GERMANY

Beer—German exports of beer rose to a postwar record of 360 thousand hectolitres in 1952, it is reported, earning some 30 million DM (equivalent to slightly over $7 million). This does not include the large sales to Allied military forces in Germany. Previous annual exports were 59 thousand hectolitres in 1949, 105 thousand hectolitres in 1950 and 326 thousand hectolitres in 1951. Ninety per cent of German exports are now in bottles instead of in kegs.

The principal foreign markets are the United States, Belgium, Italy, the Netherlands and France. High duties are said to make sales difficult in Central and South America. Principal competition in export markets comes from breweries in Denmark, the Netherlands and the United Kingdom—Bonn, February 12.

French Agriculture in 1952

The trade in agricultural products showed a deficit in the past year, but several factors indicate a brighter 1953.

PARIS—French foreign trade in agricultural products showed an increased deficit in 1952 but, thanks to the exceptionally good wheat crop last summer, the position should improve in 1953. Until the foot and mouth epidemic can be brought under control, however, the trade in animal products will continue to be a drag on the economy.

Altogether, the 1952 growing season—with the exception of wheat, wine and fruits—was only fair. Extremely hot, dry weather persisted from May to July, followed by heavy rains from August on which interfered with harvesting operations. The continuing rainfall in the autumn, aggravated by early frosts, delayed sowing of winter grains and caused animals to be taken off pasture earlier than usual.

Foot and Mouth Epidemic

The most serious agricultural problem is the outbreak of foot and mouth disease. Gaining momentum from June 1951, the epidemic reached its peak last July when over a million new cases were reported within two weeks. The autumn brought temporary improvement, with new cases running to about 30 thousand a fortnight towards the end of the year. The disease has spread to all the Departments of France but the heaviest contamination has been along the English Channel and southward from Paris through the centre of the country.

Last October, seventeen Departments were declared "disaster areas". This entitles farmers to 3 per cent loans for the reconstitution of their herds where losses have been above 25 per cent. Apart from low-interest loans in cases of high mortality, the present French legislation does not provide for any direct assistance to farmers.

Altogether, slightly over 15 per cent of the total cattle population has been infected with the disease; the mortality rate is 4 per cent for cattle, 2 per cent for sheep and 3·5 per cent for hogs.

The following figures from the French Veterinary Office, just published, illustrate the ravages of the current foot and mouth epidemic in France:

January 1 to November 30, 1952	Sick & exposed animals	Mortalities
Adult cattle	3,436,867	54,387
calves	....	83,794
Sheep and goats	924,771	19,913
Hogs	884,557	31,269

Trade in Agricultural Products

French statistics for the first 10 months of 1952 show that agricultural imports remained at about the level of the same period of 1951—approximately 159 thousand million francs. Exports, however, dropped from

119,900 million to 74,900 million francs, or 36 per cent. There is also a good deal of trade in agricultural products with the French overseas territories, particularly North Africa, but this does not affect the foreign exchange position.

As the table below shows, agricultural products normally account for an average of 15 per cent of foreign trade; for the first 10 months of 1952, the proportion of imports was 16·5 per cent and exports were down to 11·4 per cent.

French Agricultural Trade

	IMPORTS			EXPORTS		
	(thousand million francs)					
	Total	Agric.	%	Total	Agric.	%
Year 1938	34·3	5·4	15·8	22·2	3·1	14·0
" 1947	301·8	53·1	17·6	130·3	18·6	14·3
" 1948	482·2	93·8	19·8	241·4	31·8	13·2
" 1949	682·5	115·7	17·0	455·9	65·1	14·3
1st ten months 1950	638·1	101·7	15·9	528·4	85·7	16·2
" " " 1951	1,033·7	158·3	15·3	781·8	119·9	15·3
" " " 1952	967·9	159·8	16·5	657·5	74·9	11·4

Bread Grains

Grain imports in 1952 showed a sharp increase because of only fair crops in the summer of 1951; wheat imports alone up to the end of October totalled 632,475 metric tons, of which over half was financed by Mutual Security Agency funds. The position promises to be reversed during 1953. Last summer's wheat crop reached 8·4 million metric tons, 18 per cent above 1951 and the highest since 1938. It also surpassed the goal of eight million tons set by the Monnet Plan in 1948.

The yield of 19·6 quintals per hectare was the highest ever recorded and compares well with the average of 15·4 for 1930-39. The area sown to wheat appears to have stabilized at about 4·3 million hectares and, although this is about one million hectares below the area sown in the thirties, satisfactory production can be maintained because of higher yields. To date this year, only 3·7 million hectares has been sown, some 300 thousand hectares less than at the same date last year. If spring weather is good, sowings and yields should rise.

The Year in Retrospect

- *Foot and mouth disease affected 15 per cent of French cattle; some improvement noted in the fall.*
- *Agricultural imports into France remained about the same as in 1951; agricultural exports dropped 36 per cent.*
- *Wheat crop, at 8·4 million metric tons, was largest since 1938.*
- *Wine industry had a good year and quality is high.*
- *Exports of beef and pork went below those of '50 and '51 and imports rose in first ten months.*

Coarse Grains

The 1952 production of coarse grains, at 6·2 million metric tons, is slightly below the 6·8 million produced in 1951, either because of reduced plantings or because of the dry summer. Certain trends are noticeable. The area sown to barley has been rising steadily over the past few years and in 1952 was 1·08 million hectares, 44 per cent above the 1930-39 average. In contrast, the area seeded to rye, 524 thousand hectares, was down 23 per cent from the 1930-39 average and oats, at 2·2 million hectares, were down by 33 per cent. Production of both barley and oats is expected to increase in 1953.

The dry summer also cut corn production to two-thirds of the 1951 crop, even though the area planted was greater. This is particularly important to French foreign trade because only an estimated 275 thousand tons can be obtained from soft currency sources in 1952-53 and the bulk of imports will have to come from the United States. The French Government hopes in time to reduce dependence on foreign supplies by using hybrid seed and extending areas of cultivation.

Another crop which has recently gained momentum is rice, supplies of which have been affected by the war in Indo-China. Rice plantings were begun in Southern France during the last war and production rose to an estimated 80 thousand metric tons in 1952, just about enough to cover French consumption.

Oilseeds

Metropolitan France produces only a small proportion of the vegetable oils consumed in the country and recently the area sown to oilseeds has been declining. The only oilseed of any importance now grown is rapeseed which, after making rapid strides up to 1948, is registering a slow decline; production, at 195,490 metric tons, was above 1951 only because of the extremely high yield of 16·4 quintals per hectare. Most of this deficit is made up by imports from the French overseas territories but substantial quantities from foreign sources are also needed.

Wine

The year 1952 was a good one for the French wine industry. Production, at 51·2 million hectolitres, was slightly below last year but the quality is a great deal better, with a higher alcoholic content. Exports of quality wine may be larger this year.

Fruit

Fruit production, at 6·6 million metric tons, was double that of 1951. All stone fruits gave higher yields but the main increase in production came from cider apples, output of which reached 5·3 million metric tons. This tremendously heavy crop caused serious marketing problems and there are various schemes on foot to dispose of them. The best part of the surplus, however, is taken over by the State in the form of industrial alcohol, thus affording a support price.

Root Crops

All root crops were down in 1952 as a result of the dry summer. Sugar beet production, at slightly over nine million tons, is down almost 30 per cent from 1951 and the lowest since 1948. This, however, is only a temporary setback because the current acreage is running about 100 thousand hectares above prewar and, with price support for growers, production should be maintained or even expanded.

Beets for fodder were also affected by the adverse growing conditions and this will increase demand for other types of feed. The area sown to this crop and other roots for forage has been declining over the past few years.

The main fall crop of potatoes, at 10·1 million metric tons, declined 10 per cent from 1951. Yields were below normal. However, the area planted to potatoes has steadily decreased and, with the lower harvest in 1952, imports were brought in from the Netherlands in the fall.

Livestock Market Weak

Market entries of livestock during the last quarter of 1952 have been heavy and prices weakened very considerably. At the end of November the wholesale index for meat stood at 118·6 as compared with 143·6 last January, a decline in value of 18 per cent.

Though the normal fall run accounts for this in part, in 1951 there was no such slackening of prices and, in fact, prices continued to climb in keeping with the general inflation of that period. Various reasons for heavier market entries have been advanced. Because of the dry summer and early frosts, stocks of fodder are not high and oilcakes have been

—French Information Service

This French village in Haute-Rhin, pictured with its surrounding vineyards, was entirely destroyed during the recent war, but has since been rebuilt.

difficult to obtain as a result of a ceiling price imposed. Furthermore, the foot and mouth epidemic has encouraged farmers to cull their herds and farmers also appear short of cash.

Foreign Trade in Meat

The meat trade generally has blamed the Government's policy of "shock" imports during the early fall for the drop in meat prices and it is true that prices strengthened after the suspension of beef and pork imports in early December. However, the effect was mainly psychological because actual imports were not high.

Figures issued by the Ministry of Agriculture for August to November show that the average monthly rate of imports in 1952 was only 1,270 tons for beef compared with 2,430 tons in 1951, and for pork only 550 tons in 1952 compared with 3,160 tons in 1951. This average monthly import figure is equal only to an average Monday's entries at La Villette (the Paris livestock market) and constitutes a very small percentage of the 62 thousand tons of beef and 65 thousand tons of pork consumed every month in France.

As the following table shows, imports of beef increased for the first 10 months of 1952 and pork imports were lower. Exports of both beef and pork show a reduction from the past two years.

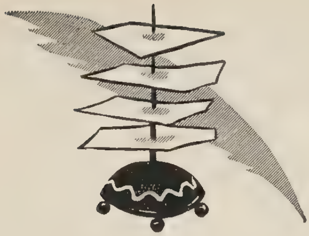
	IMPORTS		EXPORTS	
	Beef	Pork	Beef	Pork
	(metric tons)		(metric tons)	
10 months 1950	165	15	9,377	8,506
" " 1951	5,126	21,724	7,918	2,065
" " 1952	9,745	3,971	1,676	92

Meat exports normally move to neighbouring countries according to changes in price and supply. Imports come from Belgium, Denmark, the Netherlands and, to a lesser extent, from South America.

Dairy Products

Imports of dairy products and eggs increased during the year and exports decreased. By the fall, output of dairy products was down by an estimated 20 per cent and for the year 1952 total milk production will probably reach about 150 million hectolitres, compared with 160 million in 1951. In October, the Ministry of Agriculture forecast import requirements of 25 thousand tons of cheese and 15 thousand tons of butter. Though substantial quantities of cheese went to North Africa, France has over the past two years become a net importer of this product, buying from Switzerland, Denmark and the Netherlands.

—VIVIAN F. WIGHTMAN
Office of the Commercial Counsellor for Canada



GENERAL NOTES

ARGENTINA

Chilled Beef for U.K.—Argentina is preparing to resume exports of chilled beef to the United Kingdom after an interval of 13 years. The first shipments will be experimental and small, 170 tons being scheduled on a ship to load shortly and small lots on two subsequent ships. Under the Anglo-Argentine protocol signed on December 31, 1952, the price for chilled beef shipped chilled is £181 per long ton f.o.b. (22 cents Can. per lb.), and shipped frozen is £161 per long ton f.o.b. (19 cents Can. per lb.). The contract for 1953 calls for 144 thousand long tons of chiller carcass beef to be shipped either chilled or frozen. The last complete year of chilled beef shipments to the United Kingdom was 1938 when 330,703 long tons were exported—Buenos Aires, February 13.

CUBA

Newsprint from Bagasse—The Economic Advisory Board of the Cuban Government has submitted for the consideration of the President and his cabinet its final recommendations on the possibility of manufacturing pulp and newsprint from sugar cane bagasse, based on the process patented by a Cuban engineer. The Government would contribute technical and financial assistance. A working group has already been formed, with representatives of the various government departments concerned, the National Bank of Cuba, the Agricultural and Industrial Development Bank of Cuba, the various sugar industry groups, the labour federation, the Cuban Manufacturers Association, and the Economic Advisory Board—Havana, February 20.

PHILIPPINES

Barter Agreement with Japan—The barter trade agreement between the Philippines and Japan has been extended for four months to May 31, 1953. The agreement provides for $50 million in exports to and imports from Japan. The original agreement was concluded between the Philippines Government and SCAP. It terminated when the Peace Treaty with Japan took effect on April 28, 1952, but was extended several times.

Principal Philippines' exports are abaca, logs and lumber, iron ore, copra, molasses, manganese ore, chrome ore, hides and maguey. Sales of these commodities to Japan since the agreement was first concluded in 1950 up to December 29, 1952, totalled $83·3 million.

Imports from Japan, principally machinery, equipment, metal manufactures, fishing and plumbing supplies, cement and textiles, totalled \$57·5 million. The Philippines therefore had a favourable balance of \$25·8 million in its trade with Japan during this period—Manila, February 2.

SOUTHERN RHODESIA

Exports Rising—Although the value of the Colony's exports continues to expand, exports of no fewer than eleven of the principal commodities were lower in the first nine months of this year than in the same period of 1951.

The value of chrome ore exports dropped by £288 thousand to £1·5 million; steel windows, doors and parts by £11 thousand to £97,079; cattle hides by £955 thousand to £947,022; fertilizers by nearly £3,000 to £129,972; groundnut oil by nearly £28 thousand to £120,255; unmanufactured wood by £32 thousand to £207,448; and footwear by well over £5,000 to £256,856.

These decreases of more than £2 million altogether were more than compensated for by the increased value of other exports, notably manufactured tobacco which rose by nearly £5 million to £16·6 million, and raw asbestos which increased by more than £1·5 million to £5·6 million. A sharp increase in bacon and ham exports to Britain brought this figure up to £329,411, compared with last year's £81,622—Johannesburg, February 17.

UNITED STATES

Car Market Distressed—Distress signals are being hoisted in some sections of the automobile industry as used car stocks back up on new car dealers. There is also a more than seasonal drop in prices and a delay in the usual spring strengthening of used car values. February usually brings an influx of buyers from the Southern States who want to buy used cars in wholesale lots. This year the out-of-town buyers have not materialized. Because Detroit used car prices set the pattern for prices across the rest of the nation, dealers in all parts of the country are anxiously watching these storm signals—Detroit, March 3.

WEST GERMANY

Cold Rolling Steel Mill—A leading German producer of steel sheets for motor car manufacturing, at Bochum in the Ruhr, is constructing a continuous cold rolling strip mill. The principals have announced that finances for the project, 43 million D marks, have been arranged. The strip mill is expected to be in operation by January 1955. The new plant, which will be completely mechanized, represents a revolution in German plate production. Capacity of steel sheets of the Bochum steel works, presently 8,000 tons a month, will be increased to 17,000 tons monthly. Cold rolling of steel sheets was developed in America and has proved to be a more economical process than the hot rolling formerly used—Bonn, February 24.

Credit Conditions in Latin America

THE MANY SEPARATE MARKETS that together make up Latin America do not reflect any common credit conditions and collective experience. In judging specific countries, it is necessary to separate the two aspects of credit conditions—payments by buyers and exchange transfers through the controlling bank.

The Main Factor

Several important markets in Central and South America and the Caribbean have no exchange restrictions to impede collections. These are Mexico, Cuba, Venezuela, Peru, Dominican Republic, El Salvador, Guatemala, Honduras, Haiti, Panama. The fact that these countries have consistently maintained a good postwar collection record with only a few exceptions demonstrates the overriding importance of transfer delays as a cause of slow payments to foreign suppliers.

Of the other Latin American countries, all of which employ exchange controls, Argentina, Bolivia, Brazil, Chile, Paraguay and Uruguay experienced transfer difficulties to varying degrees in 1952. Colombia, Costa Rica, Ecuador and Nicaragua did not delay remittances because of exchange shortage. Collection problems arising from exchange difficulties are basically related to the foreign trade and overall balance-of-payments situation in these countries. Drought meant short crops and lower exports from Argentina, Brazil, Paraguay and, to some extent, Uruguay. Falling world prices for major export commodities lowered income for Argentina, Bolivia, Brazil and Uruguay.

Individual Factors

The other main factors that affect collections spring more immediately from credit conditions within the individual countries, although these influences can very easily reflect on trade and exchange developments. The first of these, the political element, was seen in various ways in Latin America during 1952:

- Elections in Mexico and Chile meant pre-election slackness and hesitancy, leading to a purely temporary credit softness.

- The Venezuelan election and subsequent developments did not produce very noticeable weakness.

- The Cuban change of government had little more significance for collections.

- The Bolivian changeover produced an outbreak of nationalization which has seriously undermined foreign faith and domestic business security.

- The Guatemalan political situation led to a definite credit weakness in that country.

Some weakness in general business conditions in Argentina, Bolivia, Brazil, Chile, Cuba, Guatemala, Haiti, Paraguay and Uruguay reflected trade, exchange, drought, commodity market, or political difficulties of one kind or another. Haiti was a different case. Disappointing production and prices for agricultural commodities were at the root of softness there. Panama is another country where business conditions are not too prosperous. Credit and collections cannot be good for any extended period in a country where important recessionary influences, either domestic or foreign, take hold.

Record of Experience

Unfortunately Canada has no clearing house for collection experience on export credits to Latin American countries similar to the Federal Reserve Bank of New York. The compiled experience of 18 member banks of the Federal Reserve system covers a very high percentage of total U.S. draft collections on Latin America. The only Canadian institution with continued and extensive experience of Latin American collections is the Export Credits Insurance Corporation. This government agency has records of a good representative share of export drafts. These Export Credits Insurance Corporation records for 1952 would rate the countries with delayed payments on a scale running from serious to less serious in this order: Brazil, Uruguay, Bolivia, Mexico, Chile, Guatemala, Ecuador, Peru, Colombia.

The table below summarizes experience in 1952 and indicates the outlook for 1953.

Experience in '52—Prospects in '53

COUNTRY	EXCHANGE POSITION	1952 BUSINESS CONDITIONS, COLLECTIONS	CHANGE DURING YEAR	1953 PROSPECTS
Argentina	difficult	slow	weaker	better
Bolivia	difficult	fair	weaker	difficult
Brazil	difficult	fair	weaker	uncertain
Chile	fair	fair	improvement	uncertain
Colombia	good	good	improvement	satisfactory
Costa Rica	good	good	improvement	good
Cuba	excellent	fair	weaker	not so good
Dominican Republic	excellent	good	no change	good
Ecuador	fair	good	improvement	satisfactory
Guatemala	good	fair	weaker	uncertain
Haiti	fair	fair	weaker	uncertain
Honduras	good	good	no change	fair
Mexico	good	good	no change	satisfactory
Nicaragua	fair	good	improvement	fair
Panama	good	fair	improvement	fair
Paraguay	difficult	difficult	weaker	difficult
Peru	good	good	improvement	good
Salvador	good	good	no change	good
Uruguay	difficult	fair	weaker	better
Venezuela	excellent	good	no change	good

TRADE AND TARIFF REGULATIONS

ARGENTINA

Exchange Rate for Cheese Exports—The Argentine Central Bank announces that effective February 21, 1953, 60 per cent of the exchange accruing from the export of cheese will be negotiated at the official "free" market rate of around 15 pesos per U.S. dollar and the remainder at 7.50 pesos, the "preferential" rate on exports. Other dairy products continue to be exported at the rate which has prevailed since February of last year, with 40 per cent of the exchange convertible at the free market rate and 60 per cent at the preferential rate—Buenos Aires, February 25.

BELGIUM

Export Tax Abolished—In an effort to assist Belgian exports, the export tax which was applicable on a wide variety of exports from Belgium has been abolished by Royal Decree, effective February 26, 1953. This tax was said to have brought in revenue amounting to approximately $15 million a year and to be derived mainly from the steel industry.

A few minor items, such as scrap, rag, waste paper, etc., are still subject to export tax, but this is expected to be removed shortly—Brussels, February 28.

BENELUX

Duty on Canadian Coniferous Lumber Again Suspended—Effective March 16, 1953, the 10 per cent duty on coniferous lumber of larger sizes entering the Benelux area will again be suspended for the remainder of 1953.

Coniferous lumber imported by Belgium, the Netherlands and Luxembourg comes under Benelux Tariff Item 384(a) on which the duty is nominally 3 per cent or 10 per cent according to the size. The larger sizes pay the higher rate. A considerable part of Canadian and United States lumber exports to the Benelux area consist of the larger sizes and would normally be dutiable at 10 per cent. Imports from Scandinavia fall into the category nominally dutiable at 3 per cent.

Throughout the postwar period until December 31, 1952, both the 3 per cent and 10 per cent duties had been suspended. The fact that Canadian and United States type lumber is classified under the item having the higher rate was thus of little consequence. On January 1, 1953, however, the 10 per cent duty on larger lumber was put into force, while the 3 per cent duty on other lumber remained in suspension.

This action placed the Canadian exporter in a very disadvantageous position. Canada immediately lodged a protest with the Belgian and Netherlands Governments, requesting that the 10 per cent duty once again be suspended. They have now complied with this request.

Canadian exporters should bear in mind that the present suspension on all types of coniferous lumber expires on December 31, 1953, unless specific action is taken by the Benelux Governments before that date—Brussels, March 7.

CUBA

Trade Agreement with West Germany Terminated—The trade agreement signed in 1951 between Cuba and West Germany was denounced by the West German Government, and ceased to be in force on January 30, 1953, approximately eleven months before the scheduled date of termination.

Cuban tariff concessions to Germany on about 100 items have been withdrawn. German commitments to purchase sugar and other Cuban products are likewise cancelled. Under the agreement certain German products had been granted reductions in duty by Cuba amounting to the elimination of the United States preferential margin. Among these, the following were of interest to Canada: iron or steel wire and wire gauze, iron or steel pipes, zinc and lead pipe and shot, unmounted optical crystals, electric lamp bulbs, carbon electrodes, writing paper, cigarette paper and wall paper, and pianos. Similar Canadian products which had benefited from the same reduced duties under the most-favoured-nation provisions of the GATT will now be subject to the higher duties prevailing prior to the conclusion of the Cuban-German agreement.

All West German products entering Cuba are henceforth subject to rates of duty outside treaty arrangements.

A complete list of the Canadian products affected and the higher rates of duty to which they will now be subject is available from the International Trade Relations Branch—Editor.

IRELAND

Imports of Hose, Woven Tissues, Cotton Yarns—By three Quota Orders issued under the Control of Imports Acts 1934 and 1937, the Government of the Republic of Ireland has announced additional quotas and quota periods as follows:—

- Hose (other than half-hose) of silk or artificial silk: 200 thousand pairs as against 100 thousand pairs for previous six months' quota.
- Certain woven tissues of wool or worsted and certain artificial silk piece goods: 200 thousand square yards, as against 75 thousand square yards for the previous six months.
- Single yarns of cotton: Two million pounds weight, as against 750 thousand pounds weight for the previous three months' period.

The new quota period covering these items extends from March 1, 1953, to August 31, 1953—Dublin, February 16.

SOUTH AFRICA

Import Quota for 1953—The South African Minister of Economic Affairs announced February 24, 1953, that an additional quota for 15 per cent of 1948 imports will be allocated for consumer goods during 1953.

This places the quota for consumer goods for 1953 on the same level as in 1952, namely, 45 per cent of the value of 1948 imports (for announcement of preliminary 1953 import quota of 30 per cent of 1948 see *Foreign Trade* of October 4 and November 1, 1952).

This additional quota of 15 per cent for imports during the year 1953 is to be split in the ratio of 33⅓ per cent general permits (i.e., valid for imports from all sources but generally applied to dollar imports) to 66⅔ per cent restricted permits (i.e., valid for imports from soft currency countries). The 1952 additional quota of 15 per cent of 1948 imports was based on the ratio of 12½ per cent general permits and 87½ per cent restricted permits.

It is stated that there will be no more automatic quotas for raw materials; however, industry will be looked after on an "ad hoc" basis. In 1952 manufacturers and importers of raw materials were permitted to import up to 75 per cent of the value of their 1951 imports—March 5.

TRINIDAD

Samples—The Comptroller of Customs and Excise, Trinidad, has been authorized to issue licences for the import of cut samples of no commercial value from any source, and it will no longer be necessary to apply for specific licences—March 3.

UNITED STATES

Tax-free Entry of Copper—By Public Law 4, approved February 14, 1953, the United States is continuing to exempt imports of copper from the import tax of two cents per lb., otherwise applicable, until June 30, 1954, with the continued proviso that, should the average market price of copper drop below 24 cents per pound for any month, the import tax shall be reimposed—Washington, February 26.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalents multiply by 1·01684.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. March 5*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1311	
		Basic buying	·1967	(1)
		Preferential selling	·1967	
		Basic selling	·1311	
		Free	·0708	
Austria	Schilling		·04603	
Australia	Pound		2·2165	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01966	
Bolivia	Boliviano	Official	·01639	tax 5% (1)
		Differential	·00987	tax 3% (2)
British West Indies	Dollar		·5772	
	Pound		2·7706	
	Dollar	Brit. Honduras	·6926	
Brazil	Cruzeiro	Official	·05315	tax 8% (2)
		Free	·02348	
Burma	Kyat		·2078	
Ceylon	Rupee		·2078	
Chile	Peso	Official	·03167	(1)
		Commercial	·01638	
		Free	·00894	
Colombia	Peso	Basic	·3934	tax 3% (2)
		Coffee buying	·4272	
Costa Rica	Colon	Official	·1755	(5)
		Free	·1463	*Jan. 15
Cuba	Peso		·9834	tax 2%
Czechoslovakia	Koruna		·01967	
Denmark	Krone		·1424	
Dominican Republic	Peso		·9834	
Ecuador	Sucre	Official	·06557	(6)
		Free	·05678	
Egypt	Pound		2·8240	
Fiji	Pound		2·4961	
Finland	Markka		·00428	
France	Franc		·00281	
French Africa	Franc		·00562	
French Pacific	Franc		·01547	
Germany	D Mark		·2342	
Greece	Drachma		·000066	
Guatemala	Quetzal		·9834	
Haiti	Gourde		·1967	
Honduras	Lempira		·4917	
Hong Kong	Dollar	Free	·1615	*Feb. 20
Iceland	Krona	Official	·06039	
		Special buying	·04644	
		Special selling	·03773	
India	Rupee		·2078	
Indonesia	Rupiah	Basic	·08627	(7)
		Dollar certificate	·00183	*Jan. 15

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. March 5	Notes (See below)
Iran	Rial	Certificate I	·01161	*Feb. 11
		Certificate II	·01147	*Feb. 11
Iraq	Dinar		2·7706	
Ireland	Pound		2·7706	
Israel	Pound	Basic	2·7536	
		Special	1·3768	
		Investment	·9834	
Italy	Lira		·00158	
Japan	Yen		·00273	
Lebanon	Pound	Free	·2743	*
Mexico	Peso		·1137	
Netherlands	Guilder		·2588	
Netherlands Antilles	Guilder		·5215	
New Zealand	Pound		2·7706	
Nicaragua	Cordoba	Effective buying	·1490	(8)
		Official Selling	·1394	
		With Surcharge I	·1221	
		With Surcharge II	·09785	
Norway	Krone		·1377	
Pakistan	Rupee		·2972	
Panama	Balboa		·9834	
Paraguay	Guarani	Basic	·06557	(1)
		With Surcharge I	·04683	(9)
		With Surcharge II	·03278	
Peru	Sol	Certificate	·06624	
Philippines	Peso		·4917	tax 17% (2)
Portugal	Escudo		·03423	
El Salvador	Colon		·3934	
Singapore & Malaya	Straits dollar		·3232	
South Africa (Union of)	Pound		2·7706	
Spain & Dependencies	Peseta	Basic buying	·04491	
		Basic selling	·08765	(1)
		Basic commercial selling	·05987	
		Free	·02496	
Sweden	Krona		·1901	
Switzerland	Franc		·2293	
Syria	Pound	Free	2629	*Jan. 15
Thailand	Baht	Official	07867	(1)
		Free	·05801	*Dec. 30
Turkey	Lira		·3512	
United Kingdom	Pound		2·7706	
United States	Dollar		·9834	
Uruguay	Peso	Official	·6474	
		Basic buying	·5525	
		Special buying	·4184	(1)
		Basic selling	·5175	
		Special selling	·4014	
Venezuela	Bolivar		·2936	(10)
Yugoslavia	Dinar		·00328	

* Latest available quotation date.

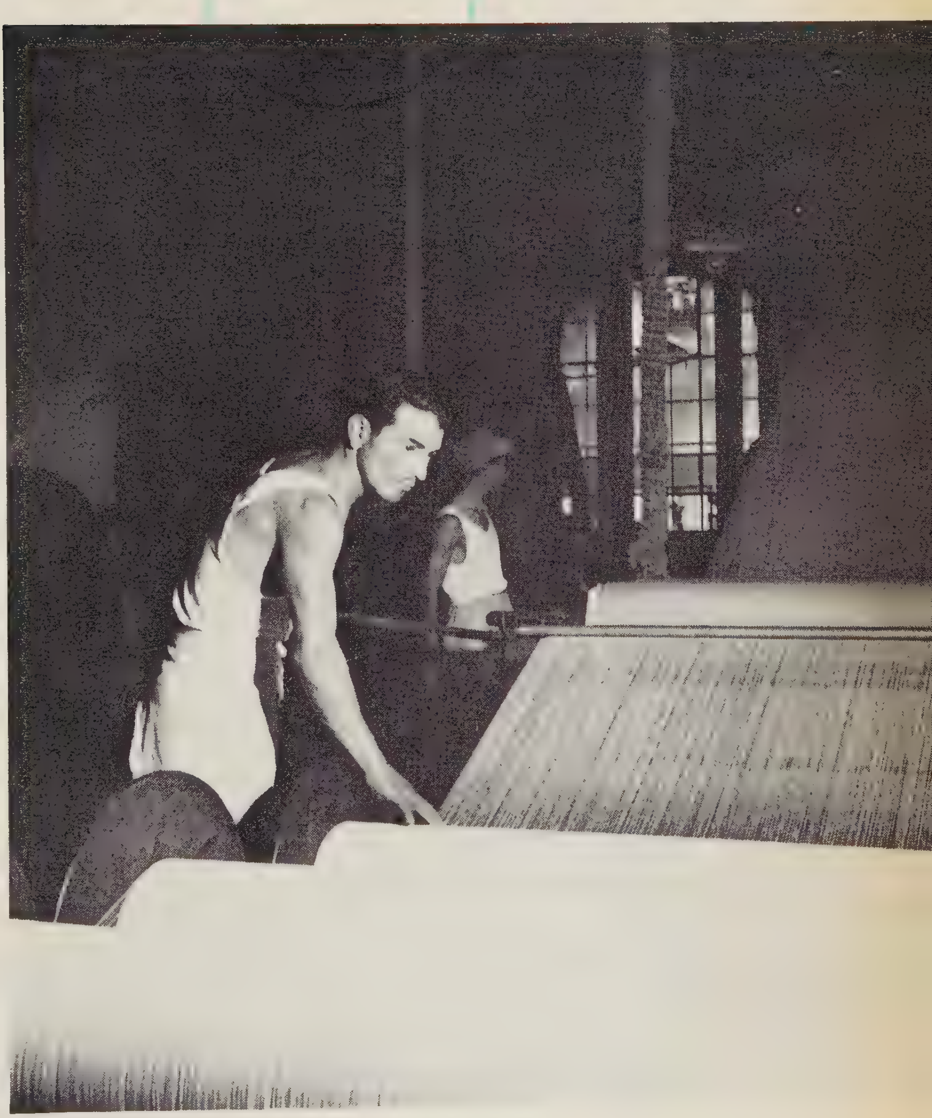
NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective rate for all Indonesian dollar exports is basic rate plus 70 per cent of dollar certificate rate. Exchange rate for other than essential imports is basic rate plus 33⅓ per cent, 100 per cent or 200 per cent, depending on the import category of the product. Cost of dollar imports is increased by full amount of dollar certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to all Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

foreign trade

MARCH 21, 1953



How's Business in Venezuela? (page 2)

foreign trade

VOL. 13 OTTAWA, MARCH 21, 1953 NO. 325

)VER . . . Rayon manu- ɫuring has become one of most profitable industries 'enezuela—and the mill at racay, pictured here, is ical. As local plants ex- ıd, imports of processed l finished goods are giving / to imports of semi-pro- .ed materials. For the latest ort on Venezuela, turn to

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

How's Business in Venezuela?

Prosperity, based on oil revenues, continues, but growth of local industries means a shift in type of imports. Canadian exporters should capitalize on goodwill fostered by the recent Trade Mission which visited Venezuela.

CARACAS—Venezuela is accustomed to favourable international comment on its prosperity and the most recent statistics on national finance and foreign trade justify such comment. Nevertheless, local importers and merchants are more cautious in their statements because they have been affected by increased competition and their profits and volume have levelled off. Selling ability, service facilities, and time payments must now be essential features of any wholesale or retail trade and this rather sudden transformation found many firms unprepared.

An impartial observer, however, cannot help but notice prosperity. The national income is $690 million for the current year, which permits huge expenditures for a country of five million people. International reserves remain high at $394 million and the public debt low at $2,070,000. Venezuela has no international debts. Both import and export statistics for the first nine months of 1952 show increases over the record volume achieved in 1951.

Government Spending High

The commerce of the country depends on the amount and type of government expenditure which, in turn, is almost completely dependent on oil production. The current budget extending to July is based on a daily production rate of 1·8 million barrels. This was attained in 1952 and will be exceeded in the present fiscal year. Foreign markets must be obtained for over 80 per cent of this production and these are practically assured, despite increased production in North America. Proven reserves of 9,000 million barrels are available for more extensive drilling but demand has stabilized and no appreciable increase is expected this year.

Approximately 25 per cent of the current budget is earmarked for various public construction projects. The following are the principal ones now in progress:

New roads and maintenance	$52,149,000
Schools, military quarters, post offices	35,224,000
Caracas—La Guaira highway	17,901,000
Seaports, airports	16,418,000
Hospitals	16,030,000

In addition to these expensive undertakings, the Venezuelan Development Corporation, a government-controlled company, has been given over $29,552,000 for construction, principally rural electrification. Expressed in 1,000 kwh., installed capacity for rural areas increased from 149 thousand in 1948 to 236 thousand in 1952.

—Venezuelan Ministry of Education

The ban on fresh meat imports continued in Venezuela last year because the livestock industry was able to meet domestic needs. Here on the Venezuelan plains the cattle are rounded up.

Imports are more than paid for by petroleum exports but extension of national industries is a government policy and revision of the customs tariffs serves as an effective instrument for protection against competitive imports. A new trade agreement was concluded with the United States in 1952 and, because Canada has a modus vivendi agreement with Venezuela, Canadian exports were also affected. The following were the most important items removed from the favoured list and made subject to higher duties: canned salmon and sardines, lard, crackers, tires and tubes, tomatoes, chocolate, and aluminum furniture. Increased duties were also imposed on steel furniture, canned sea foods, certain automotive parts, paints and varnishes. Import duties were reduced on some things, including the following products of interest to Canadian exporters: rye whisky, cheddar cheese, oatmeal, generators, transformers and switchboards.

Trade Mission Welcomed

Despite the imposition of several prohibitive import duties, exporting nations regard Venezuela as the most attractive market in Latin America. Hard currency is available for payments and trade is still relatively free from government interference. Because of this, quotations far exceed the demand and importers can bargain for good terms, prompt delivery, and some assistance in trade promotion. Several countries have sent trade delegations to assist in promoting their exports. In January 1953 a Canadian Trade Mission headed by the Rt. Hon. C. D. Howe, Minister of Trade and Commerce, spent six days in Venezuela on their nine-country tour of Latin America. Personal interviews with government and business officials, together with the extensive and favourable reports in the press, have already resulted in additional enquiries for Canadian products. Canada also received considerable publicity as a competent supplier of engineering and technical services.

69534—2

Although the attention of other export nations is now focused more intently on Venezuela, in 1952 the United States remained by far the principal supplier, with 70 per cent of the market. The United Kingdom followed with 8 per cent; Canada, 4·5 per cent; and Germany, 4 per cent. Germany has shown the most remarkable increase in sales in recent years; in 1949, her share of the market was only 1·3 per cent. Canadian exports increased considerably—from $26 million in 1951 to $35 million in 1952.

National Industrial Development

National industries have not affected the volume of imports but products in the processed and finished categories are gradually being replaced by semi-processed materials. The tire and tube industry is expanding and local production will supply the market when a second manufacturer completes a plant scheduled for next year. Modern textile mills are operating profitably, particularly the rayon manufacturers. The older cotton mills are on a part-time basis, even though an annual quota restricts imports of cotton fabrics. The principal product of the beverage industry is beer of excellent quality, the monthly production of which is now double that of 1947. Soft drinks have improved in quality and variety and sell well with considerable local advertising. Cement production from five plants throughout the country now amounts to 700 thousand tons a year, which is almost equal to demand. A company has been formed to investigate possibilities of a steel industry in Eastern Venezuela but nothing definite has so far come of it.

Mining Report

The most promising part of the mining industry is iron ore production in Eastern Venezuela. Exports to the parent organization in the United States from the single producer now amount to approximately 225 thousand tons a month. The subsidiary of another American steel company is making satisfactory progress on installations and export deliveries are scheduled for 1954. Gold production has diminished to negligible quantities since September 1950, when Guayana Mines Limited were taken over by the Government. The mine has not yet re-opened. Diamond production amounted to 73,405 carats for 10 months of 1952, which was a 15 per cent increase over the output of the entire previous year. Deposits of crude sulphur are sufficient to warrant mining operations and production is scheduled for this year. The principal consumer will be a sulphuric acid plant to be opened at about the same time and the remainder will be exported to European customers.

Agriculture Has Good Year

During 1952, Venezuela's agricultural production began to show the benefit of the large loans and grants made by the Government in recent years. Rice and refined sugar production made notable gains, and coffee exports at 27 thousand metric tons attained a four-year high. The harvest of corn, potatoes, and cacao was average and oil seed production advanced 25 per cent.

The livestock industry was able to meet domestic needs and the ban on fresh meat imports continued. The dairy industry had a record year and, largely because of high prices, a temporary surplus of fluid milk

developed in the Caracas area. Production of powdered milk increased from 1,500 to 2,400 metric tons and to ensure complete disposal, the quantitative restriction on imports was tightened.

There has been some slackening in the amount of direct government assistance to agriculture although the milk subsidy was continued. Tariff revisions and import controls help to minimize competition from foreign products and prices are maintained at profitable levels. No change is expected in the established government policy of reducing Venezuela's dependence on imported foodstuffs and, with the coming establishment of additional vegetable and fruit processing plants, a larger, more consistent market for farm products is anticipated.

The fishing industry has also received substantial government aid and production now is outstripping the local market. A 1951 surplus of canned sardines has finally been sold because of the higher duties on competitive imports. Better cold storage facilities have permitted attractive packaging of fish fillets for retail sales and volume is expanding satisfactorily.

Expectations

With government expenditure geared to present production of petroleum, which is in no danger of receding, Venezuela has the money to aid weak industries and can maintain full employment with public works projects. The revenue from petroleum also contributes to the exploitation of other natural resources and Venezuelan policy is to facilitate the participation of foreign capital in desirable new enterprises. Local industry is effectively protected from foreign competition but imports have shifted rather than diminished in volume. Canadian trade to Venezuela can be expanded from the 1952 record in volume and variety and Canadian firms should capitalize on the additional goodwill and publicity gained during the recent visit of the Trade Mission.

—F. B. CLARK
Assistant Commercial Secretary for Canada

COMMONWEALTH REPLY COUPONS

Companies which have been using the Imperial Reply Coupon to prepay replies to letters mailed within the Commonwealth will be interested in a recent announcement by the Post Office. The present coupon will be replaced by a Commonwealth Reply Coupon, at the same price and to serve the same purpose. This new coupon consists of an ornamental border surrounding an oval space in the centre for printing. A scroll across the top carries the words "Commonwealth Reply Coupon" and "Valid only for exchange between the countries of the Commonwealth". Near the two lower corners are circular spaces for the date stamp impressions. The new coupons will shortly be distributed to Post Offices here; they are already on sale in the United Kingdom.

India Blueprints Its Future

In its new Five Year Plan, India is stressing both agricultural and industrial progress. Private industry will co-operate with government, and foreign investment will also be sought.

NEW DELHI—Three years ago this month, the Government of India passed a resolution which established a Planning Commission composed of six members, including the Minister of Finance, and with the Prime Minister as chairman. Its terms of reference were set down in this way:

- To make an assessment of the material, capital and human resources of the country, including technical personnel, and investigate the possibilities of augmenting such of these resources as are found to be deficient in relation to the nation's requirements.

- To formulate a Plan for the most effective and balanced utilization of the country's resources.

- To determine priorities, define the stages in which the Plan should be carried out, and to propose the allocation of resources for the due completion of each stage.

- To indicate the factors tending to retard economic development and determine the conditions which, in view of the current social and political situation, should be established for the successful execution of the Plan.

- To determine the nature of the machinery necessary for securing the successful implementation of each stage of the Plan in all its aspects.

- To appraise from time to time the progress achieved in the execution of each stage of the Plan and recommend the adjustments of policy and measures that such appraisal may show to be necessary.

- To make such interim or ancillary recommendations as appear to it to be appropriate either for facilitating the discharge of the duties assigned to it; or, on a consideration of the prevailing economic conditions, current policies, measures and development programs; or on an examination of such specific problems as may be referred to it for advice by Central or State Governments.

In July 1951 the Planning Commission published a draft outline for the first Five Year Plan—a formidable document of 250 printed pages, plus various tables.

Since that time, the Commission has been engaged in preparing the final Plan which was introduced to the Indian Parliament by the Prime Minister on December 8, 1952. It has undergone many changes since the draft outline was published, as a result of discussions with commercial organizations, State Governments, labour leaders and many others.

The Plan is divided into three parts. The first analyzes the process of development in an undeveloped economy such as India's; the second deals with administrative and public co-operation, and the third presents three broad programs of development—agriculture, irrigation and community development; industry and communications; and social services and employment. Total outlay for this final Plan is now estimated at Rs.20,690.* The following table gives a breakdown of the estimates for the Plan:

PUBLIC SAVINGS FROM	(millions)
Current revenues	Rs. 5,680
Railways	1,700
Public loans	1,150
Small savings	2,700
Deposits, funds, etc.	1,350
External resources already received	1,560
TOTAL	Rs.14,140

This shows that the sum of Rs.6,550 million must be made up to meet the total cost. During the period of the Plan, a total of Rs.2,900 million will be available from the sterling balances. This still leaves Rs.3,650 million to be raised. It is possible that a portion of this may be covered by additional foreign aid. However, any future foreign aid would, in all probability, only account for a small proportion and the authorities have not made any definite provision for it in their calculations. The three alternatives discussed are additional internal taxation, borrowing, or deficit financing. No final solution to this problem has been suggested.

Industrial Program

Although the Plan gives highest priority to agricultural development (including the establishment of the necessary basic services such as irrigation and power) the need for industrial development is fully recognized. The following general order of priorities has been suggested:

- Fuller utilization of existing capacity in producer goods industries like jute and plywood, and consumer goods industries like cotton textiles, sugar, soap and vanaspati.

- Expansion of capacity in capital and producer goods industries like iron and steel, aluminum, cement, fertilizer, heavy chemicals, machine tools, etc.

- Completion of industrial units on which considerable capital expenditure has already been incurred.

- Establishment of new plants for industries like the manufacture of sulphur from gypsum, or pulp for rayon and newsprint, or the refining of ores or scrap for non-ferrous metals, to increase the supply of certain key materials vital for industry.

In the matter of industrial expansion, the Plan expects that capital investment will play a more important part in the private sector than in the public—possibly about 70 per cent for the former and 30 per cent for the latter.

* One rupee=approx. 20 cents Canadian.

In the private sector, approximately 80 per cent of the investment would be in capital goods and producer goods industries. The most important single industry is iron and steel which, at the present rate of production, can only meet about 50 per cent of the existing demand. Investment in the establishment of a petroleum refining industry is already under way. Of the three principal firms engaged in this industry, two have begun building operations and the third firm has yet to choose a suitable location. Other important industries in which private investment is expected to play its part are cement, aluminum, fertilizers, heavy chemicals and power alcohol.

In the consumer goods industries, though emphasis is mainly placed on fuller utilization of existing capacity, it is expected that private investment will develop new industries in such lines as rayon, paper (probably newsprint), drugs and pharmaceuticals. The private sector will also make a contribution to electric power generation, although this is mainly a public concern.

Expenditures in the public sector will be made largely on projects already being implemented by Central and State Governments. In addition, government will provide some of the capital for the new iron and steel project, though private investment is expected to contribute the largest share.

Production Goals

The plan has also restablished industrial production targets for the five-year period, as the following table shows:

	Production in 1950-51	*Production target in 1955-56*
Iron and Steel.		
Pig iron	1,570,000 tons	1,950,000 tons
Finished steel	980,000 "	1,280,000 "
Cement	2,690,000 "	4,500,000 "
Aluminum	3,700 "	12,000 "
Fertilizers:		
Ammonium sulphate	46,500 "	450,000 "
Superphosphate	58,100 "	180,000 "
Locomotives	—	170
Machine tools	1,100	4,600
Petroleum refining:		
Liquid petroleum	N.A.	403 million gals.
Bitumen	N.A.	37,500 tons.
Cotton manufactures:		
Yarn	1,176 million lb.	1,640 million lb.
Mill cloth	3,708 million yd.	4,700 million yd.
Handloom	810	1,700 " "
Jute manufactures	892,000 tons	1,200,000 tons
Agricultural machinery;		
(a) Pumps, power-driven	34,300	85,000
(b) Diesel engines	5,500	50,000
Bicycles	99,900	530,000
Power alcohol	5 million gals.	18 million gals.

The authors of the Plan realize that, to achieve these objectives, it is of great importance that the private sector have enough capital available. To assist in this, capital will be canalized into high priority undertakings by controlling capital issues. In addition, the licensing of industrial projects will help to direct investment along the desired lines.

The Plan also touches upon the part which foreign capital can play in the industrial expansion of the country. It notes that government policy on foreign capital contains assurances of non-discrimination,

reasonable facilities for the transfer of profits and repatriation of capital, and of fair and equitable compensation in the event of nationalization. The Plan also states that foreign investment should, as far as possible, be directed to industrial developments that have high priority and in spheres where new lines of production are to be developed or where a special type of experience and technical skill are required. Another field of investment for foreign capital is where domestic production is small in relation to demand, and where it is not likely that the local industry can expand to meet the demand within a reasonable period.

—RICHARD GREW
Commercial Counsellor for Canada

Belfast Sets Flax Prices

BELFAST—Guaranteed growers' prices for the 1953 flax crop have now been announced, as follows:

	Hand scutched per stone		Machine scutched per stone	
Grade 1	44s.	0d.	45s.	6d.
Grade 2	42s.	6d.	44s.	0d.
Grade 3	41s.	0d.	42s.	6d.
Grade 4	39s.	6d.	41s.	0d.
Grade 5	38s.	0d.	39s.	6d.
Grade 6	36s.	6d.	38s.	0d.

These prices represent a general fall of approximately 5/– per stone as compared with the 1952 figures and will probably result in a decreased acreage under flax. Production will no doubt be largely confined to the traditional flax-growing areas of North Antrim, the Mourne district, East Tyrone and South Derry.

Spinners have intimated that because of present and prospective trading uncertainties they do not want more than 3,000 tons from the 1953 flax crop. However, they have agreed to take in the 1953-54 season up to 4,000 tons, to include any surplus from the 1952 crop. The price to be paid will be the world price calculated by the Ministry of Commerce on a basis agreed upon with the spinners.

If the world price so calculated exceeds the growers' guaranteed prices as announced above, the growers will be paid the appropriate higher world prices according to grade.

World prices in 1952 fell far below the quoted guaranteed prices, because of a combination of circumstances but mainly because of the smaller demand for linen goods abroad. For example, in Grade 5, the guaranteed price of which was 43 shillings in 1952, the world price slumped to 30 shillings a stone.

—T. G. MAJOR
Canadian Government Trade Commissioner

69534—3½

The Businessman's Bookshelf

The books and pamphlets reviewed briefly on these pages are selected because we feel that the Canadian importer or exporter will find them helpful. For those who wish to order them, we are including the name and address of the publisher and the price.

World Trade Data

Exporters' Digest, New York. 47 pp. 50 cents.

This booklet, a reprint of material appearing originally in the *Exporters' Digest,* contains data on documentation needed for various countries, lists of forthcoming trade fairs abroad, information on electrical voltages abroad, conversion factors, commercial abbreviations, survey of credit terms, etc. Some of the material is primarily for the U.S. exporter; the Canadian trader, however, will find much of value in it.

Order from: Exporters' Digest, 170 Broadway, New York 38, N.Y.

Public and Private Investment in Canada, Outlook 1953

Department of Trade and Commerce. 22 pages. Free.

This report on the probable level of capital expenditures on new construction and for machinery and equipment covers projected plans for business, institutions, governments, and of individuals for housing. In the business sector alone, about 17 thousand establishments of all types, including mines, manufacturing plants, utilities and retail stores, were approached when the survey was being prepared. For the reader who wishes comparative figures, those for 1951 and 1952 are included. Figures on capital expenditures by provinces and major cities are not given but they will appear later in a supplementary report.

Order from: Economics Division, Department of Trade and Commerce.

So You're Going to Work Abroad for RCA

Radio Corporation of America. 14 pages. Free.

This attractive little booklet was designed by RCA Victor for the guidance of its officers posted to assignments abroad. Passing over the usual details about exchange, housing, clothing, hotels, etc., it concentrates on "your *attitude;* what you take in your mind and heart". Though it is directed towards Americans, most of it applies also to Canadians who work in foreign countries. In fact, it contains a long excerpt from an article in *Maclean's* which gave advice to Canadian soldiers going to Europe.

Order from: Radio Corporation of America, Executive and Sales Office, 30 Rockefeller Plaza, New York.

The Sterling Area and the Dollar Problem

By Forrest Rogers. 33 pages. 15 cents.

The businessman looking for background on the sterling-dollar problem will find this booklet useful. It deals first with the origin of the sterling area and then outlines its postwar position. This leads on to a discussion of some of the approaches to solving the problem and the factors involved in each. A bibliography for further reading is included. The author is an economist with the Bank of Nova Scotia.

Order from: The Canadian Institute of International Affairs, 230 Bloor Street West, Toronto.

British Chemicals and Their Manufacturers

Association of British Chemical Manufacturers. Free.

The latest edition of this directory, published every other year, includes names and addresses of members of the Association; classified lists of British chemicals, indicators and microscopic stains; proprietary and trade names, and trademarks.

Order from: Association of British Chemical Manufacturers, 166 Piccadilly, London, W. 1.

Shipping Report 1951

Dominion Bureau of Statistics. 144 pages. (multilith) 50 cents.

This report comprises a brief introduction giving the highlights of shipping operations during 1951, followed by detailed statistical tables. These tables cover vessels arrived and departed in coasting services, in foreign service, by ports, and by provinces; vessels in foreign service by country of registry and by countries entered and from; cargoes loaded for foreign countries by ports, etc.; tugs arrived and departed, and fishing vessels arrived and departed.

Order from: Dominion Bureau of Statistics, Ottawa.

Introducing West Africa

Colonial Office, London. 80 pages. 50 cents.

British West Africa today includes four territories—Nigeria, Gold Coast, Sierra Leone, and Gambia—covers 500 thousand square miles, and has a population of over 32 million. This booklet packs into a brief space statistics on this area, something of its history, and the plans for its future. The exporter will gain from it a good idea of native life and of market possibilities in these colonies. Pictures and maps add to its value.

Order from: United Kingdom Information Office, 275 Albert St., Ottawa.

Fertilizers for U.S. Farms

The growing demand for food, feed and fibre, and the decline in soil fertility are main reasons for the remarkably increased use of fertilizers on U.S. farms. A national program is encouraging greater application of soil nutrients.

WASHINGTON—The use of commercial fertilizers for crop production in the United States has increased about threefold since 1935-39. U.S. farmers now spend about one billion a year for the plant nutrients they obtain in fertilizers.

Up to 1920, the use of fertilizers and lime was confined largely to the southern states. In recent years, however, fertilizer use has widened geographically and the rate of application has stepped up. Of the total plant nutrients applied in fertilizers on American farms in 1950, about 40 per cent was used in the corn belt and Lake states. Farmers there used between six and seven times as much fertilizer in 1950 as in 1935-39. About one-third more of the total fertilizers used was applied to corn than to its closest competitors, hay and pasture. Before the war, the five corn belt states used only about 11 per cent of all the fertilizers applied on U.S. farms, but in 1950 these states used more fertilizers than any other region. Cotton, wheat and vegetables each received less than two-fifths as much fertilizer as corn.

The principal reasons for the remarkable increase in the use of fertilizers and lime are:

- The increased demand for food, feed and fibre to supply the domestic and export markets.
- The favourable relationship between farm prices and farm costs.
- The need for increased output per unit of labour.
- The recognition by farmers of the worthwhile response of crops to fertilizers.
- The decline in soil fertility.

During the war and postwar years, defence and war efforts demanded more manpower and the farmer had to produce more with less labour and thus he spent more money on fertilizer.

National Program

The U.S. Department of Agriculture and the Land-Grant Colleges are co-operating in a national program to encourage more efficient use of fertilizers and lime. This program covers research, education, organization and other activities. The co-operation of industry and other related groups is being sought to further the objectives of the program.

The following table indicates increases in domestic consumption of the primary plant nutrients by ten-year periods since 1900, and for liming materials since 1930:

	PLANT NUTRIENTS				LIMING MATERIALS
	Nitrogen (N)	Available phosphoric oxide (P_2O_5)	Potash (K_2O)	Total	
	(thousands of tons)				
1900	62	246	86	394	....
1910	146	499	211	856	....
1920	228	660	258	1,146	....
1930	377	793	354	1,524	3,468
1940	419	912	435	1,766	13,434
1950	1,126	2,071	1,215	4,412	26,536

Although domestic production and consumption of fertilizers and lime have increased greatly in recent years, the supply has not kept pace with the farmers' needs. However, there are opportunities in the U.S. for an economic expansion of fertilizer and lime production.

The U.S. Department of Agriculture, the Land-Grant Colleges and other groups are working with the fertilizer and lime industries to increase production substantially by 1955 and farmers may look forward, for the first time in recent years, to more nearly adequate supplies. Quantities sufficient to permit high-level production of food and fibre crops and the building of soil fertility reserves are expected to be available by 1955. The U.S. Department of Agriculture's and the Land-Grant Colleges' expansion programs have been determined on this basis.

Prospective Supplies

The following table shows the quantities of primary plant nutrients which were available for the 1951 crop year and the goals for 1955:

	1951 Crop Year	1955 Crop Year	Increases
	(thousands of tons)		(per cent)
Nitrogen (N)	1,285	2,185	70
Phosphate (P_2O_5) ..	2,235	3,485	55
Potash (K_2O)	1,445	2,185	51

Achievement of the nitrogen goal now seems assured, and it is expected that the potash goal will be achieved. It is not clear at this time, however, whether the phosphate production goal will be reached. Attainment of the desired phosphate production will depend upon developments in the still uncertain sulphur picture, and the progress made in adapting alternate methods of treating phosphate rock, including acidulation with nitric acid.

Only an estimated 25 per cent of the acreage needing lime was adequately treated in 1950 and some 395 million tons of liming materials will be needed for adequate initial treatment of acreage now in need of lime or of more lime. Estimates are that maintenance of the soil, when all the acreage in need of lime is properly treated, would call for 47 million tons of liming materials each year.

Though it is recognized that the ultimate objective will take some time to accomplish, sources of liming materials are widely distributed throughout the United States and the industry is not expected to experience great difficulty in expanding production to meet requirements in most areas.

New information on the most effective use of fertilizers and lime is coming out of the nation-wide survey by the National Soil and Fertilizer Research Committee of the State Agricultural Experiment Stations and the U.S. Department of Agriculture. Where balanced supplies of plant nutrients are used in combination with other farm practices, striking results are expected from increased fertilization. For the country as a whole, the greatest opportunity for increasing yields through fertilization is in grain and forage crops, which receive comparatively little today.

Crop Response

The corn crop offers a unique opportunity for increased yields through higher rates of fertilizer application. It is estimated that in the South a combination of heavier fertilizers, adapted hybrids and other good management practices could triple the present average yield of 26 bushels per acre. Growers in the north central region could increase yields of corn by 250 million bushels by tripling the current rather low average rates of fertilizer application. Increased fertilization could boost wheat yields 48 million bushels in the western states and could increase average yields in the eastern states by more than one-third. Higher applications of fertilizers to meadows and pastures could increase yields by 30 per cent.

The Steering Committee which provides guidance at the national level for this long-range program of research and education is composed of representatives of the State Extension Services, the Agriculture Experiment Stations and the U.S. Department of Agriculture. This committee has appointed an eight-man advisory group from the industry which has already made recommendations about the ways in which the efficient use of fertilizer may be promoted. Their suggestions included visual demonstration of recommended practices, research programs, and enlisting the support of all interested groups.

—W. C. Hopper
Agricultural Counsellor for Canada

GOLD COAST PROJECT

The aluminum project planned for the Volta River area in the Gold Coast, and reported on in *Foreign Trade* of January 10, 1953, has moved a step nearer. A Preparatory Commission has been set up to continue the work begun and to examine in greater detail the chief problems to be overcome. Picked to head this Commission is Commander R. G. A. Jackson, who has worked on national development plans in Australia, Pakistan and India. He will shortly establish the headquarters of the Commission on the Gold Coast and will work with government departments and with local representatives of the aluminum companies in drawing up a Master Agreement, preparing a timetable for the project, and estimating costs.

Spain Beckons the Tourist

. . . and last year welcomed one and a half million visitors. The tourist industry contributes much to the economy and the Government is making it pleasant and easy to travel in Spain.

MADRID—The tourist industry is becoming increasingly important to the Spanish economy. Just after the war ended, the shortage of food and other necessities of life, transportation difficulties, and an unfavourable exchange rate served to discourage the tourist. Visitors first became numerous in 1951, the year in which the long cycle of drought was broken and good crops were harvested. In that year too the Spanish authorities decreed a more favourable tourist exchange rate.

In 1949, there were only 300 thousand visitors (including businessmen); in 1951, this grew to 1,263,000 and it is estimated that visitors in 1952 totalled at least 1,500,000. Further increases will depend on the extension of hotel facilities. During the peak months of last year, June through September, hotels were jammed all over Spain and one had to reserve accommodation well in advance.

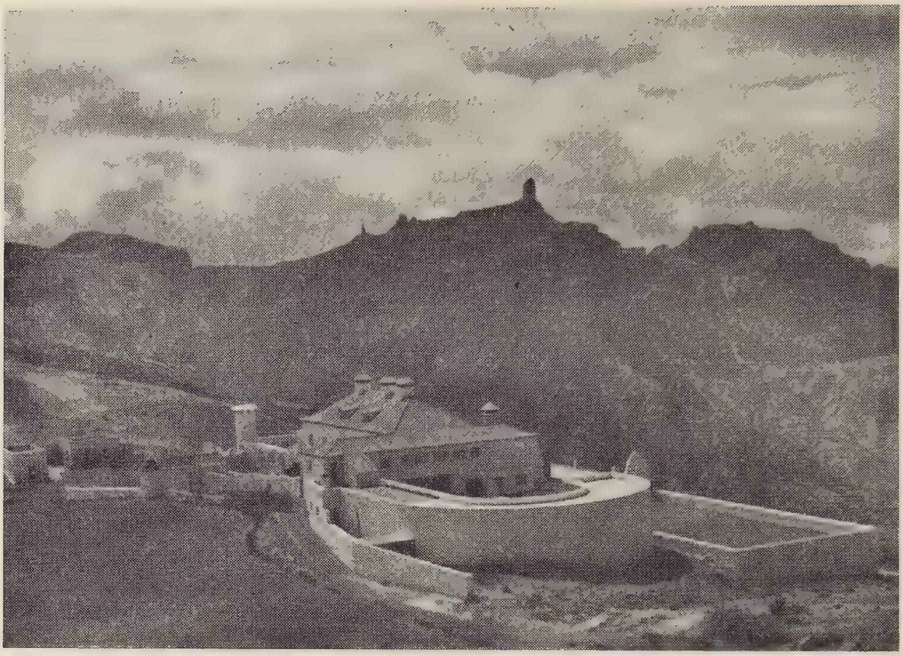
How They Came

Statistics on the 1952 tourist influx have not yet been compiled but some idea of the pattern can be obtained from a breakdown of the 1951 figures. Of the 1,263,000 visitors, 465 thousand were French, 150 thousand English, 149 thousand Portuguese and 125 thousand Italian. In addition some 45 thousand U.S. citizens and 2,300 Canadians made their way to Spain.

How did they come? Some 44 per cent came into Spain by road, 32 per cent by ship, 19 per cent by railway and 5 per cent by air. No doubt British exchange restrictions prevented an increase in visitors from the United Kingdom in 1952 but probably also appreciable gains were registered from other European countries. It is estimated that 80 thousand Americans visited Spain in 1952, nearly double the 1951 figure. The number of Canadians undoubtedly increased in similar proportion.

Boosting Foreign Earnings

Although Spain's invisible foreign exchange earnings are never made public, undoubtedly tourist expenditures are contributing impressively to these earnings. Tourists of any nationality are welcome because nearly all currencies are considered "hard" from the Spanish point of view. Tourists from Great Britain are estimated to have spent £3 million in Spain during 1952 and American tourists about $20 million. This latter figure assumes some importance when it is remembered that Spanish commodity exports to the United States amount to only $50-$60 million a year.



—Spanish Tourist Bureau

The Spanish Government operates a chain of small tourist hotels, including twelve on the Spanish mainland and one, the "Cruz de Tejeda" above, at Santa Cruz de las Palmas, in the Canary Islands.

By no means all of the foreign exchange earnings found their way into official coffers. Each visitor is permitted to bring up to pesetas 10,000 in Spanish currency into Spain. The considerable gap between the official tourist rate and the rate quoted for the peseta outside of Spain during the year encouraged many tourists to take advantage of the privilege. However, in recent months the gap in the rates has so narrowed that tourists are now more inclined to purchase peseta requirements in Spain.

The Spanish Government follows a definite policy of encouraging tourist traffic. Attempts are made to remove or simplify regulations which so often annoy the visitor. For instance, it is no longer necessary for travellers to carry police cards from one place of residence to another. Visitors must declare foreign exchange holdings upon entry but are not required to spend a minimum daily amount while they are in Spain. Foreign exchange may be converted into pesetas without inconvenience. At customs points, travellers are not subjected to petty annoyances over such things as cameras. United States citizens are not required to have their passports visaed and visas issued to other nationals are valid for ninety days.

As a further step in attracting visitors, the Spanish Government, through its Tourist Bureau, operates a chain of small hotels and wayside inns. There are twelve 20- to 40-room hotels of this type open for business on the Spanish mainland and one at Santa Cruz de las Palmas, Canary Islands. The hotels are situated in carefully chosen beauty spots and most of them were once ducal palaces and monasteries. They all have the most modern facilities but the furnishings are kept in tune with the surroundings. The ten wayside inns are strategically situated on the roads radiating out from Madrid. In these travellers can obtain well-served, full

—Spanish Tourist Bureau

Most of these hotels were once ducal palaces or monasteries. All have the most modern facilities but the traditional interiors and furniture have been preserved, as in the lounge of this hotel at Santillana del Mar.

course meals at reasonable prices. From six to ten bedrooms are kept for late travellers. The inns provide a useful service in a country where one usually finds good restaurants only in the large cities.

In addition, the Tourist Bureau maintains 53 Information Offices throughout Spain where the tourist can get maps, literature and advice free of charge. Similar services are provided in the Bureau's offices abroad in Brussels, Buenos Aires, Chicago, Stockholm, Gibraltar, Havana, Lisbon, London, Mexico City, New York, Paris, Rome, San Francisco, Tangier and Zurich. As a measure of protection to the tourist, the Bureau licenses guides, interpreters, etc., and requires all hotels to display prices, which are controlled, in each bedroom. As a result, tourists are probably victimized less frequently in Spain than in many other countries.

The Tourist Bureau plans to extend its system of hotels but the expansion of hotel facilities in Spain will depend primarily on the initiative of the private hotel industry. In 1952, first-class hotel accommodation was increased by 1,400 rooms and in hotels of lower category by an estimated 600 rooms. This rate of expansion will have to be maintained to cope with the growth in tourist traffic.

Transportation facilities in Spain are slowly improving. The road system is, on the whole, satisfactory. An ambitious program for widening, straightening and resurfacing main and secondary roads is well under way. The Spanish airlines are efficient but lack sufficient equipment to handle the traffic offered. Although modern lightweight motorized trains are being added to the more heavily travelled railway routes, the system in general leaves much to be desired.

—E. H. MAGUIRE
Canadian Government Trade Commissioner

COMMODITY NOTES

BRAZIL

Sugar Cane—Sugar cane production in the State of São Paulo during 1952 has been estimated at 8,530,591 tons, valued at Cr$891,447,000. Total area cultivated was 180,549 hectares, making São Paulo the leading producer of sugar cane in 1952—São Paulo, February 25.

CEYLON

Flour—Ceylon has purchased two ships' cargoes of Canadian flour during the last few months. A third purchase of several thousand tons has just been arranged with Australia. The shortage of rice from Burma and other traditional suppliers persists. The Government, in its capacity as a monopolistic importer of basic cereal foods, continues to buy flour to meet domestic demand and, at the same time, to offer a substitute for rice when supplies are short. Further enquiries for and possible purchases of Canadian flour may be expected—Colombo, March 2.

ITALY

Motor Vehicles—The Italian motor car industry produced 138,412 motor vehicles during 1952 compared with 145,553 in 1951, a drop of about 5 per cent. Exports of motor vehicles during the year also fell slightly, from 32,250 in 1951 to 26,460. The chief markets were Germany (6,818), Switzerland (2,835), Austria (2,818), Sweden (2,792), Spain (1,383), Belgium (1,008), Indonesia (843) and South Africa (771)—Rome, February 25.

JAMAICA

Tomatoes—The current tomato crop in Jamaica is estimated to be five million pounds. A direct shipment of 10,000 crates was recently made to New York in a refrigerated ship. Reliable reports indicate that the tomatoes arrived in good condition and are fetching top prices.

Tomato growing is comparatively new in Jamaica and is being encouraged by the Government. In the early stages tomato farming

suffered from drought, poor shipping facilities, and uncertain markets. If the New York outlet proves profitable and becomes well established, it is expected that tomato cultivation will be intensified. Certain parts of the island could produce abundant crops if modern farming methods were adopted—Kingston, February 19.

PERU

Silver—In February the Peruvian Government passed a decree permitting the export of manufactured silver goods up to 40 kilograms (88 pounds) without payment of the usual export tax. An export permit is not required if the goods are part of a tourist's baggage—Lima, March 7.

PORTUGUESE WEST AFRICA

Coffee—Coffee produced in Angola is establishing a satisfactory reputation for quality on world markets. Exports during the first eight months of 1952 amounted to 22,688 metric tons and went almost entirely to, in order of importance, the U.S., Portugal, Holland, and the U.K.—Leopoldville, March 4.

SCOTLAND

Seaweed—A Nairn firm which produces agricultural foods and fertilizers has completed the installation of a seaweed factory in Kirkwall, Orkney, and production is expected to begin very soon. The factory at Nairn has been operating for more than a year and, though producing at full capacity, is unable to cope with the demand for these products—London, March 4.

UNITED KINGDOM

Canadian Apples—On February 24, Canadian apples reached an all-time high at London's famous Borough Market auction rooms. Ten boxes of "Newtowns" from British Columbia and ten boxes of "Delicious" from Nova Scotia were sold by auction at the Fruit and Vegetable Trades' auction appeal for the Lord Mayor of London's National Flood and Tempest Distress Fund.

The average price received was £16.0.11d. ($44.40) per box, the top price being £20 ($55.20). With the first three boxes bringing £20 each, the average top price for each apple was 39 cents—London, March 6.

WEST GERMANY

Oil—West German oil refining companies processed a total of 5,340,000 tons of crude mineral oil in 1952 and some 5,139,212 tons of refined products. Output exceeded last year's by 12·7 per cent, a postwar peak. Domestic wells' contributions to the total amount processed increased to 32 per cent from 28·5 per cent last year. Altogether, 3·3 million tons of fuel were produced in 1952, including 1,592,841 tons of gasoline (13·5 per cent above 1951) and 1,424,642 tons of diesel oil (18 per cent above 1951)—Bonn, February 5.

Italy

The Market for Fish

Italy continues to buy Canadian salted cod and some canned salmon, but the dollar shortage works against increased purchases from Canada.

ROME—Foodstuffs form an important part of Italian imports and fisheries products come high on the list. The annual average value of imports of fisheries products is about $33 million which, in foodstuffs, is exceeded only by the cost of imported wheat and other grains, coffee and sometimes meat. In terms of volume, imports of all types of fish in 1951 amounted to 111,165 metric tons, a figure about 10 per cent above average. In the first ten months of 1952 the figure was 97,635 metric tons, which gave promise that the total for the year would exceed that of 1951 by as much as the total for ten months exceeded the figure of 82,968 for the first ten months of 1951.

Salted Cod Popular

Salted codfish makes up about 50 per cent by volume of all fish imports. The supplying countries in order of importance are Denmark (which includes the Faroe Islands and Greenland) Iceland, Canada, Norway and France. Canada supplies up to 15 per cent of Italy's imports of salted codfish and consequently the Italian market is important to Canada as an outlet for Gaspe slack salted hard dried cod and Newfoundland "Shore" and "Labrador" cures.

The main problem in selling Canadian fish to Italy in recent years has been the shortage of dollars. Because Italy has trade agreements with many fish-producing countries, dollar exchange is granted only for types of fish which cannot be obtained by payment through clearing arrangements or in soft currencies. Fish similar to the Gaspe and Newfoundland cures is not produced in large quantities by other exporting countries. Because of their keeping qualities, these cures are valued in the rural areas of Sicily, Calabria and some parts of central Italy, where cold storage facilities are very limited.

Economic Conditions Count

Consequently the general economic situation in Italy means much to the Canadian exporter of salted fish as well as of other packs. At the end of 1952 Italy's economy appeared to have attained a state of equilibrium after the Korean war boom and the ensuing recession which reached its lowest point early in 1952. This equilibrium may not last, because there is a growing imbalance in Italian trade, with exports decreasing and imports increasing. Domestic business in Italy is slowing

up as a result of a widening gap between wholesale prices, which are decreasing, and retail prices, which are increasing. This leads to fear of a renewal of inflationary pressure with all its consequences.

Imports of Cod and Salmon

During 1952 the Italian authorities allocated $3 million for the purchase of Canadian cod and another $3 million for the import of Canadian canned salmon. Both these commodities are considered important in Italy yet it is only in the past two years that dollars have been granted for these two types of Canadian fish. In 1951 Italy purchased 9,075 metric tons of Canadian codfish out of total imports of 55,620, and 1,015 metric tons of Canadian canned salmon out of total imports of 1,117.

Canned fish imported into Italy includes chiefly mackerel, tuna, sardines, anchovies and salmon. Since the war the marketing of Canadian canned salmon in Italy has been adversely affected and curtailed because of increased stocks of canned mackerel from Norway and the Netherlands. In 1953 Italian imports of Canadian canned salmon will probably be reduced because canned salmon to the value of $200 thousand is included in the list of goods to be imported from Japan under the recently signed Italo-Japanese Trade Agreement. Salmon is more popular than mackerel but the latter is more economical because of its substantially lower price. Salmon is generally considered a luxury food and purchases are usually limited to the lower-priced "chum". As an indication of the normal size of the market, it is estimated that 80,000 cases of canned mackerel and 50,000 cases of canned salmon could be absorbed every year.

Fresh Fish Trade

Fresh fish imports constitute about 15 per cent of the weight of total fresh fish supplies marketed. Firms engaged in the import and wholesale trade have ample facilities for storing fresh fish but few are equipped to store frozen fish. As a matter of fact, most of the imported frozen fish is sold in the 200 retail stores of the "Genepesca", which are equipped with refrigerated counters and can store fish at 18 degrees C. below zero. As a matter of interest "Genepesca" is the largest Italian organization dealing in fresh, frozen, canned and salted fish. They are canners and driers; they have their own fishing fleet; they operate refrigerated trucks to transport their products to their retail stores all over Italy.

Future of Market

Italy has a total population of about 47 million and fish consumption is estimated at about 16½ lb. per capita a year, round fish weight. Actually this is lower than in many other European countries. Italians prefer a varied diet and are accustomed to a variety of vegetables and meat. Consequently during spring and summer, when all kinds of vegetables are available at low prices, they eat less fish. Contrary to general belief, the general observance of religious limitations on diet does not increase the consumption of fresh fish. In fact, religious requirements tend to confine the consumption of fresh fish to only one day of the week. Such concentration affects the quality and creates distribution and other problems for the trade in fresh fish. This in turn brings about an increased demand for processed fish.

Fish consumption in Italy is closely related to meat consumption. The price of meat has increased steadily and as a result the lower income groups are consuming more of the lower-priced fish. Importers have long recognized that the consumption of salted codfish is affected by the supply of fresh pork because pork, one of the lower-priced meats, is a seasonal food, like salted codfish. Both are eaten in larger quantities during the four colder months of the year. For example, during the first six months of 1952, although pork was in considerably better supply than in the corresponding period of 1951, imports of salted codfish remained about the same. The result is that the market for salted codfish has been very slow and importers have had to carry over stocks into the new year.

Fish Consumption

Fish consumption in Italy also varies a great deal from place to place. It is doubtful that the supply situation has actually hampered consumption. Before the war the State financed propaganda for fish for a few months and this is said to have increased consumption. There is no doubt that a campaign to educate consumers on the nutritive value of fish and on its proper preparation would have very good results.

The Prospects

In conclusion, we can expect that, because of the acute shortage of dollars, Italy will continue to seek her supplies of fisheries products from countries with which she has trade agreements or to which she can offer payment in soft currencies. Nevertheless, there will continue to be a demand for the type of light salted hard dried cod produced in Canada. Canadian exporters should be very careful to maintain high quality and should give particular attention to uniformity in the quality of shipments.

—M. S. Strong
Commercial Secretary for Canada (Fisheries)

TO VISIT IRAQ

Mr. G. F. G. Hughes, Canadian Government Trade Commissioner in Beirut, has announced that he will visit Iraq from April 14 to April 22. Most of his time will be spent in Baghdad, but he will also try to visit Basra, the port of entry.

Exporters desiring Mr. Hughes to undertake inquiries on their behalf should communicate with him by airmail or cable, reaching Beirut before April 10th. (Airmail takes four to five days.) In case of urgency, Mr. Hughes could be reached through the Commercial Secretary, British Embassy, Baghdad, during his stay.

Canadian exports to Iraq in 1952 amounted to $313,153, consisting principally of tires and tubes ($92,000), motor vehicles and parts ($84,000), lumber ($33,000), agricultural implements ($28,000), electrical equipment, lamp and lanterns, medicinal preparations and milk powder.

GENERAL NOTES

CHILE

Farm Fumigation by Air—For the first time Chile will use aircraft for agricultural fumigation. To inaugurate the service, two Piper planes equipped with fumigating and seeding equipment have been acquired and a Chilean aviator has been authorized to operate the service for ten years—Santiago, February 20.

FINLAND

Trade Deficit—The sharply declining 1952 prices for paper and wood products, Finland's leading exports, and the decreased demand have already influenced Finnish foreign trade. Exports in 1952 were roughly estimated as follows: wood products, 71 billion marks; products of the paper industry, 67 billion; other goods, 19 billion, making a total of 157 billion marks. Total imports amount to roughly 180 billion marks. Last year's export surplus of 31 billion has therefore turned into a deficit of 23 billion marks—Stockholm, February 27.

IRELAND

Business Conditions—Preliminary figures issued by the Central Statistics Office, Dublin, for January indicate that the improvement in the Republic's balance of trade noted in 1952 is continuing into 1953. Compared with January 1952, imports are down by 15·8 per cent and exports are up by 9·5 per cent, reducing the deficit by 34·9 per cent. Some improvement in the volume of retail business is indicated by an increase of 3·3 per cent in the average weekly clearances through the Dublin banks, and of 9·1 per cent in the note circulation. On the other hand, rising unemployment is causing concern. From a low of 45,900 in June 1952, the increase has continued each month and the total at the end of January 1953 was 87,300. This is 18·4 per cent higher than in January 1952 and reflects the decline in industrial production—Dublin, March 3.

NETHERLANDS

German Securities Back—German securities are again being offered on the Amsterdam Stock Exchange. Trading is permitted in various German bonds such as Dawes and Young loans, as well as bonds issued by banks, industries, public utilities and railways. The stock exchange association has published a list of German securities which

are not subject to the new general permit and may only be traded with approval of the Netherlands Bank. Potash bonds are included in this special permit list—The Hague, March 5.

PHILIPPINES

Agricultural Output Higher—Agricultural production (which in Philippine statistics is recorded in tons) has grown from 3,047,000 tons in 1946 to 7,738,000 tons in 1952. All major farm crops, except abaca (hemp) and tobacco, recorded impressive gains and in 1952 reached a new postwar high. Rice production rose from 2·6 to 2·8 million tons; prewar rice production was only 2·3 million tons. There were also reports of increased acreage for agriculture. In 1952, 14·6 million acres of land were being tilled compared with 13·2 million acres in 1951. The prewar acreage was only 11·9 million. In 1946 only 9·8 million acres were under cultivation—Manila, February 20.

SOUTH AFRICA

Trade Balance Improves—The adverse balance on the Union's external trade in 1952 dropped from over £122 million to £87·5 million. This improvement was mainly the result of reduced import values which more than balanced the decline in exports.

According to the preliminary statement of the Commissioner of Customs and Excise, imports in 1952 and 1951 were valued at £420 million and £469·3 million respectively. Exports were respectively £332·4 million and £346·9 million. The adverse balance was, therefore, £87·6 million in 1952 and £122·4 million in 1951, compared with £55 million in 1950 and £158·4 million in 1949—Johannesburg, February 26.

New Industries—Private capital from Switzerland totalling £1¾ million was invested in 14 new South African industries during 1952. Swiss staff, technical knowledge and machinery are being utilized in these new domestic plants which are in varying stages of construction. The products to be manufactured include machine knitted woollens, washed and spun wool, woollen hosiery, towels and towelling, steel shoe shanks, water pipes and tubing, commercial cooking appliances and metalware—Cape Town, February 26.

UNITED STATES

Business in the South—The Southern States showed an 8 per cent gain in business volume in 1952. Industry gains of 10 per cent occurred in the States of Florida and Texas, and a 9 per cent gain was reported in each of the Carolinas where there has been exceptional building progress, especially textile plants. Mississippi also showed a strong increase of 9 per cent, with a notable gain of 15 per cent in agricultural production and 15 per cent in construction.

Increases such as these help to make the South an expanding market for Canadian woods, agricultural machinery, foods and industrial materials—New Orleans, March 5.

TRADE AND TARIFF REGULATIONS

BRAZIL

Torquay Protocol to GATT Signed—The Brazilian tariff concessions negotiated at Torquay in 1951 will become effective on March 21, 1953, as a result of the signature by Brazil of the Torquay Protocol. While the new concessions are of limited importance, they must be considered as supplementing the extensive concessions made by Brazil at Geneva and Annecy which were also extended for the further period of three years under this protocol.

Most of the concessions granted by Brazil at Geneva and Annecy were extended until January 1, 1954, without change.

Although Canada did not negotiate directly with Brazil at Torquay, Canadian products are eligible for these concessions under the provisions of the GATT.

The principal Torquay concessions by Brazil are a reduction in the duty on preserved asparagus from 2.80 to 2.40 cruzeiros per legal kilog.; and a reduction from 5.40 to 4.56 cruzeiros on electric motors, dynamos, alternators and closely related electrical equipment weighing over 50 and under 100 kilogs. In addition, the present favourable duty on wrapper leaf tobacco is bound against increase.

In return for these concessions, the United States will bring into effect concessions on the following items: a reduction in duty on parana pine plywood from 40 to 25 per cent ad valorem; a reduction on certain cerium and thorium compounds from 35 to 30 per cent ad valorem, and a reduction on copaiba balsam from 5 to 2½ per cent ad valorem. Tucum nuts are bound duty-free.

CUBA

Duty on Condensed Milk Reduced—By Cuban decree, imports of condensed milk will now be subject to a reduced customs duty of 50 cents per case up to April 30, 1953, inclusive. This duty will apply to imports from Canada and all other countries provided they are included under the permitted quota of 470 thousand cases of 48 tins each. The regular rate for imports of condensed milk from Canada is $7·125 per 100 kilos., plus a surtax of 20 per cent of the duty. These imports under the quota will also be exempt from all taxes (consular fees, import taxes, and charges of all kinds, including the sales tax), except the reduced customs duties specified above.

The above decree modifies the former Cuban policy of granting duty-free entry to condensed milk for specified periods. The last period under which condensed milk was importable on a duty-free basis ended on June 20, 1952. Although these imports had been exempted from customs duty and consular fees, there was a charge of 48 cents on each case of 48 tins under Decree 1742 of June 1945.

PAKISTAN

Import Control Policy—In a Public Notice of March 1, 1953, the Government of Pakistan announced the import licensing policy for the current licensing period. All imports into Pakistan require an individual import licence. The schedule of goods for which licences are invited on private account from the American Account area (includes Canada) amounts to approximately 100 items. Other items may be imported if for government account.

The schedule of licensable goods for private account from the dollar area contains the following commodities: M. S. bars, plates, billets and sheets; iron and steel pipes and fittings; tin-plate; baling hoop and strapping; pig iron; iron and steel castings, forgings and stampings; iron or steel structures fabricated or semi-fabricated.

Non-ferrous metals and ferro-alloys.

Tools and workshop equipment, including metal and wood-working hand tools; measuring instruments and gauges.

All types of chemicals; unspecified drugs and medicines; dyes and dyeing and tanning substances; electric instruments and apparatus; typewriters and parts; office machines; all sorts of engine and boiler packings; ball and roller bearings; taper roller bearings; diesel engines and parts; all sorts of machinery and millwork and parts; lubricating oils and greases; all sorts of mineral oils; tires and tubes (new); synthetic rubber; aeroplanes and parts and accessories; four wheel drive motor vehicles and motor trucks completely knocked down; parts and accessories of motor cars, station wagons, jeeps and trucks.

Among the additions to the schedule of licensable goods are the following: specified machinery; all sorts machinery and millwork and parts and accessories; unspecified machine tools; portable pneumatic and electric tools; belting for machinery; industrial exhaust fans and blowers; electroplating polishes, compositions and salts; typewriters and parts; office machines; all sorts of engine and boiler packing; ball and roller bearings; taper roller bearings; diesel engines and parts.

Items which are no longer licensable from the dollar area are: specified unwrought iron and steel and manufactures; ammunition including cartridges; wireless receiving instruments and parts; all sorts of electric insulating material; metal lamps and parts thereof; unspecified instruments and apparatus; unspecified optical surgical instruments, apparatus and appliances and component parts and accessories; paints; all sorts of paper, other than newsprint; all sorts of pasteboard, millboard, cardboard and strawboard; fountain pens and parts; motor cars and station wagons, new; thermoplastic moulding compounds; unwrought plastic rods, tubes and other profiles.

In the case of newsprint, newspapers and magazines and books, the import program has already been provided for by the issue of licences against applications already submitted.

TRINIDAD

Newsprint on Open General Licence—The Canadian Government Trade Commissioner, Trinidad, has advised that, effective March 13, newsprint has been placed on world open general licence. This means that individual import licences are not required.

UNITED STATES

Tariff Classification of Onion Powder—The United States Bureau of Customs have placed the following notice in the *Federal Register* of March 3, 1953:

"Prospective Tariff Classification of Onion Powder"

"It appears probable that onion powder is properly classifiable under the provision in paragraph 775, Tariff Act of 1930, for vegetables reduced to flour, not specially provided for, at a rate of duty higher than that heretofore assessed under an established and uniform practice.

"Pursuant to Customs Regulations of 1943, as amended, notice is hereby given that the existing uniform practice of classifying such merchandise as a spice under paragraph 781, Tariff Act of 1930, is under review in the Bureau of Customs.

"Consideration will be given to any relevant data, views or arguments pertaining to the correct classification of this merchandise which are submitted in writing to the Bureau of Customs, Washington 25, D.C. To assure consideration, such communications must be received in the Bureau not later than 30 days from the date of publication of this notice in the *Federal Register*. No hearings will be held."

The present U.S. tariff on onion powder under paragraph 781 is 25 per cent ad valorem, while the tariff on vegetables reduced to flour under paragraph 775 is 35 per cent ad valorem—Editor.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalents multiply by 1·0149.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. March 12*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1313	
		Basic buying	·1971	(1)
		Preferential selling	·1971	
		Basic selling	·1313	
		Free	·0709	
Austria	Schilling		·04612	
Australia	Pound		2·2195	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01969	
Bolivia	Boliviano	Official	·01642	tax 5% (1)
		Differential	·00980	tax 3% (2)
British West Indies	Dollar		·5780	(3)
	Pound		2·7744	(4)
	Dollar	Brit. Honduras	·6935	
Brazil	Cruzeiro	Official	·05326	tax 8% (2)
		Free	·02289	
Burma	Kyat		·2081	
Ceylon	Rupee		·2081	
Chile	Peso	Official	·03173	(1)
		Commercial	·01641	
		Free	·00896	
Colombia	Peso	Basic	·3941	tax 3% (2)
		Coffee buying	·4280	
Costa Rica	Colon	Official	·1759	(5)
		Free	·1471	*Feb. 16
Cuba	Peso		·9853	tax 2%
Czechoslovakia	Koruna		·01971	
Denmark	Krone		·1427	
Dominican Republic	Peso		·9853	
Ecuador	Sucre	Official	·06569	(6)
		Free	·05695	
Egypt	Pound		2·8294	
Fiji	Pound		2·4994	
Finland	Markka		·00428	
France	Franc		·00282	
French Africa	Franc		·00563	
French Pacific	Franc		·01550	
Germany	D Mark		·2346	
Greece	Drachma		·000066	
Guatemala	Quetzal		·9853	
Haiti	Gourde		·1971	
Honduras	Lempira		·4927	
Hong Kong	Dollar	Free	·1622	*Feb. 27
Iceland	Krona	Official	·06050	
		Special buying	·04652	
		Special selling	·03780	
India	Rupee		·2081	
Indonesia	Rupiah	Basic	·08643	(7)
		Dollar certificate	·00204	*Feb. 16

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. March 12	Notes (See below)
Iran	Rial	Certificate I	·01132	*Feb. 18
		Certificate II	·01116	*Feb. 18
Iraq	Dinar	....	2·7744	
Ireland	Pound	....	2·7744	
Israel	Pound	Basic	2·7589	
		Special	·13794	
		Investment	·9853	
Italy	Lira	....	·00158	
Japan	Yen	....	·00274	
Lebanon	Pound	Free	·2711	*
Mexico	Peso	....	·1139	
Netherlands	Guilder	....	·2593	
Netherlands Antilles	Guilder	....	·5225	
New Zealand	Pound	....	2·7744	
Nicaragua	Cordoba	Effective buying	·1493	(8)
		Official Selling	·1397	
		With Surcharge I	·1223	
		With Surcharge II	·09804	
Norway	Krone	....	·1379	
Pakistan	Rupee	....	·2978	
Panama	Balboa	....	·9853	
Paraguay	Guarani	Basic	·06569	(1)
		With Surcharge I	·04692	(9)
		With Surcharge II	·03284	
Peru	Sol	Certificate	·6197	
Philippines	Peso	....	·4927	tax 17% (2)
Portugal	Escudo	....	·3430	
El Salvador	Colon	....	·3941	
Singapore & Malaya	Straits dollar ..	....	·3237	
South Africa (Union of)	Pound	....	2·7744	
Spain & Dependencies ...	Peseta	Basic buying	·04499	
		Basic selling	·08781	(1)
		Basic commercial selling	·05998	
		Free	·02501	
Sweden	Krona	....	·1905	
Switzerland	Franc	....	·2298	
Syria	Pound	Free	·2628	*Feb. 16
Thailand	Baht	Official	·07882	(1)
		Free	·05709	*Jan. 30
Turkey	Lira	....	·3519	
United Kingdom ..	Pound	....	2·7744	
United States	Dollar	....	·9853	
Uruguay	Peso	Official	·6487	
		Basic buying	·5535	
		Special buying	·4192	(1)
		Basic selling	·5185	
		Special selling	·4021	
Venezuela	Bolivar	....	·2941	(10)
Yugoslavia	Dinar	....	·00328	

* Latest available quotation date.

NOTES

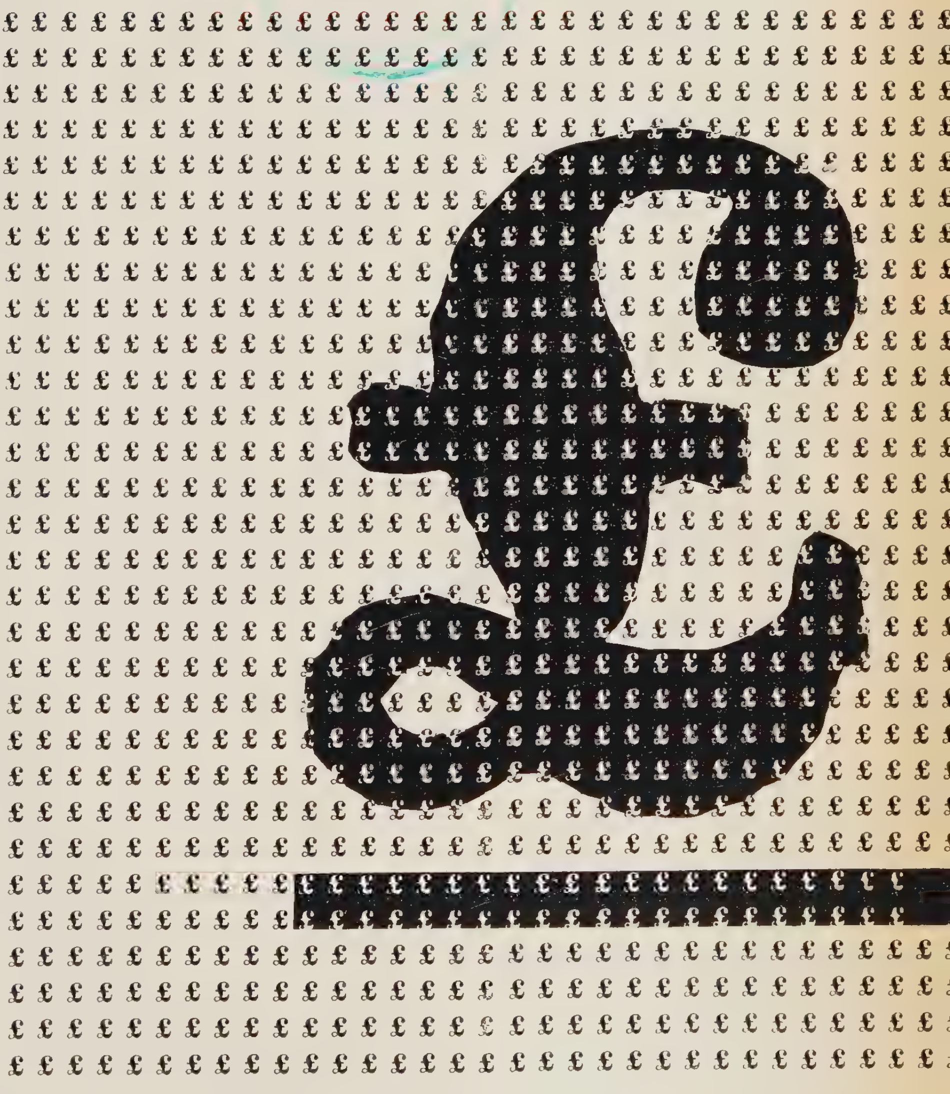
1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective rate for all Indonesian dollar exports is basic rate plus 70 per cent of dollar certificate rate. Exchange rate for other than essential imports is basic rate plus 33⅓ per cent, 100 per cent or 200 per cent, depending on the import category of the product. Cost of dollar imports is increased by full amount of dollar certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to all Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

The March 28 issue of **foreign trade**
focus attention on those parts of the w
comprising the Commonwealth and Emp
There will be business reports from Lond
heart of the sterling area, and from ele
other trade posts — from Hong Kong to
fast — from Karachi to Port-of-Spain. B
nessmen interested in international comme
will not want to miss these up-to-the-mi
reports on countries vital to world tr

foreign trade

MARCH 28, 1953



Business Conditions in the Commonwealth

Sterling, Dollars . . . and Trade

This special issue of "Foreign Trade" appears at a time when interest in the Commonwealth is running high. The mounting enthusiasm over the Coronation, the announcement of the Prime Ministers' conference to follow it, the recent Washington talks between American and British officials, the visit of Mr. Butler to Ottawa—all focus attention on the traditions, the evolution and the present problems of the Commonwealth.

How is business going within this great association that embraces countries as far apart as Malaya and Jamaica, British Borneo and British Guiana? The twenty-seven reports presented here, the work of thirteen different offices of the Canadian Trade Commissioner Service, attempt to answer that question. Together they give an overall picture of more than a score of countries in the grip of a common problem.

Reading these reports, you will find certain phrases repeated again and again—"adverse trade balance", "import restrictions", "market closed to dollar goods". As a businessman, you may perhaps feel discouraged. But business must build its plans on things as they are . . . and realism has its place.

For the moment these Commonwealth countries must, without exception, limit imports from the dollar area. Inevitably this works against the Canadian exporter, who may find himself excluded for some time to come.

But, in the long term, there is cause for optimism. The atmosphere is subtly changing. There is growing recognition in the United Kingdom and other countries overseas that the solution lies not in more restrictions, but in greater freedom of trade. And in this trend we may find hope for a brighter trade future.

—The Editor

foreign trade

VOL. 13 OTTAWA, MARCH 28, 1953 NO. 326

er . . . Against a back-
nd of minute pound signs,
irtist has placed the mon-
symbol of the sterling
, to which all members of
Commonwealth, with the
exception of Canada, be-

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

The Sterling Area and Its Problems

This brief account of the sterling crisis and how it arose, written for the layman, illuminates one of the Commonwealth's major problems and discusses the solutions which have been put forward.

LONDON—What is the sterling area? Why is it that before the last war trade with countries in the area posed no particular problems and today it is beset with problems? To answer this, one must first outline very briefly what the sterling area is, why it exists, what has been wrong with it in recent years, and what is being done to put it right.

Although Canada is not a member of the sterling area, we have much to gain from a solution of its difficulties. At current levels, one-quarter of our exports go to the sterling area. If this performance is to be maintained or improved, and if the variety of items which Canada can sell to the area is to be enlarged, an answer must be found.

How It Evolved

The sterling area can be defined as a voluntary association of countries which pool their reserves of foreign exchange and draw their requirements from the central pool which is held by the British Government. The British Commonwealth (with the exception of Canada) forms the hard core of it, though there are other members, including Iraq, Burma and Iceland. Other countries have been members at different times.

The association evolved out of the banking and monetary arrangements that grew up around the economic development of the Dominions and Colonies. In addition to providing much of the finance for this development, British institutions furnished the requisite banking and insurance services. It was thus convenient for these areas to keep their balances in the United Kingdom and to pay any debts they might incur anywhere in the world from these balances.

The sterling area contains one-quarter of the world's population and its members carry on one-quarter of the world's international trade. Many products of everyday use come largely from the area—75 per cent of the world's diamonds; 60 per cent of the world's natural rubber and tea; half of its gold, wool and cocoa, and 40 per cent of its tin. On the other hand, the area is deficient in a number of important commodities, including newsprint, softwoods, raw cotton, grains, tobacco and meat.

War and Its Aftermath

Before the last war, the sterling area was able to obtain sufficient foreign exchange to pay for its imports without undue strain being placed upon its reserves. When the Second World War broke out, it was immediately apparent that the dollar resources of the sterling area would have to be husbanded with the utmost care so that they would be available to buy essential supplies from the dollar area. The sterling area members

—U.K. Information Office

Many people consider the crossroads at the Mansion House the heart of the City of London and therefore the centre of the sterling area. In the background, the columned facade of the Royal Exchange.

of the Commonwealth therefore undertook not to make any unnecessary claims on the pool of foreign exchange. A wide variety of import restrictions was imposed, to keep out all but essential imports.

The operation of these measures had two important consequences:

- Certain members of the area accumulated larger sterling balances. Import restrictions prevented them from buying much from North America and the United Kingdom was too heavily engaged fighting the war to have much available for export.
- Inability to obtain commodities (from dollar sources in particular) established a pent-up demand for these items.

To prevent these accumulated funds and the sudden release of a pent-up demand from completely absorbing the area's gold and dollar reserves, it was considered necessary to continue the policy of restricting imports when the war ended.

Complete freedom of trade between the area and the countries outside will remain impossible until first, the reserves are large enough to absorb reasonable demands upon them, and second, the payments and receipts of the area are sufficiently in balance to maintain the reserves at a workable level.

The difficulty of keeping the reserves in a healthy state arises from a number of factors of which the following are of particular importance:

- If the area as a whole buys from outside more goods and services than it sells and assuming no external gifts or loans, the reserves will be depleted in order to cover the deficit.
- If there is a flight of capital, this will be reflected in a drain on the reserves.

Since the war, the sterling area as a whole has tended to buy more from outside than it has sold. This has been possible largely because of dollar gifts and loans from the United States and Canada and additional credits arranged through international organizations. To counter the trend, sterling area countries have sought to keep dollar expenditures down by import restrictions, and dollar earnings up by encouraging exports to dollar markets.

The major aim of the two Commonwealth Conferences held in the United Kingdom in 1952 was to discover a means of re-establishing the solvency of the sterling area so that the pound sterling will be as acceptable a currency in international trade as the dollar. This is what is involved in "making the pound convertible".

It has been agreed that a first step will be for individual members of the area—and the area as a whole—to live within their incomes. A number of devices are being employed to bring this about, including stricter monetary policies, retrenchment on capital expenditures and so on. It was further agreed that output of the Commonwealth countries in the sterling area must be increased.

Effect on Canada

The effect upon sterling area-Canadian trade of any substantial increase in the production of the sterling area will depend largely upon the fields in which the increases take place. If the emphasis should be upon items which could be sold for dollars the results will be beneficial—more will be sold to the dollar area so that more can be bought. If, however, the increased production is centered upon items currently purchased from the dollar area, and if uneconomic production is protected by import restrictions or some other device, the result will be harmful.

Future Looks Hopeful

The improvements brought about by the changed monetary policies, the gradual growth in the sterling area's gold and dollar reserves, and the encouraging strength of the pound sterling in the world's money markets suggest that the fundamental weakness in the postwar operation of the organization is being properly dealt with at last. Mr. R. A. Butler, the Chancellor of the Exchequer, addressing the Commonwealth Correspondents Association in London on February 11th, summed up the position as follows: "What emerged from the Commonwealth Conference was not a cut-and-dried agenda for early action but a broad strategic plan of campaign—a general idea of the right way to approach the problem of getting beyond the economic restriction that has followed on the war. The success of the past twelve months has now given us the opportunity, which I believe should last for some months to come, perhaps for the greater part of this year, of working out and applying policies for long-term progress without being distracted by immediate crises".

If these predictions prove true, then the sterling area will be moving, for the first time since 1945, toward the reduction or removal of import restrictions, rather than toward their extension or maintenance.

—R. P. Bower
Commercial Counsellor for Canada

The United Kingdom in 1952

- *Stronger price for sterling in money markets.*
- *Volume of exports declined by six per cent.*
- *Efforts to close dollar gap meet some success.*

LONDON—Historians may some day look back upon 1952 as the decisive year in the United Kingdom's struggle to overcome the destruction and disruption of the Second World War. If this proves true, it will have been despite some unfavourable factors. These include a decline in overall production—the first to interrupt the postwar trend; a definite turn from a sellers' to a buyers' market, and a sizable recession in certain spheres, particularly textiles. The year will probably be regarded as significant because, for the first time in the postwar era, an attempt was made to tackle the *causes* of the economic disease and not its symptoms. It was as if the doctor decided to correct the pallor of an anaemic patient by applying iron to the diet rather than rouge to the cheeks.

Adverse Balance of Payments

During the six-month period ending March 31, 1952, the sterling area gold and dollar reserves lost more than two billion dollars—a drain of one-third of a million dollars for every hour. Immediately the new government took office late in 1951, further cuts in imports and in other overseas expenditures were ordered. Other members of the Commonwealth were consulted and a plan adopted under which the sterling area members undertook to follow courses aimed at eliminating the deficit by the second half of the year, and at achieving at least a balance with the dollar area by that time. The heavy deficits that characterized the early months of the year gave way to small surpluses at the end. Excluding the £65 million payment in December on the North American loans, in the last half year the sterling area would have been in slight surplus in its gold and dollar accounts even without aid from the United States and the gold earned from EPU.

Corrective Measures

A higher bank rate strengthened world confidence in sterling and supported other steps to restrict home civil investment. Income tax changes were aimed at encouraging longer and better work and hence raising production. Steps were taken to free resources for export by restricting home claims. These and other measures all contributed to the substantially better atmosphere by the end of the year. This was reflected in a much stronger price for sterling in the world's money markets.

So gradual is the improvement and so long the way still to go that there is no prospect of an early elimination of the import restrictions that have been a part of the United Kingdom trade picture since the

69536—2

outbreak of war in 1939. The Prime Ministers' Conference held in London late in 1952 reiterated the determination of the sterling area to work for full convertibility of the pound and restoration of multilateral trade, and laid plans to expedite the achievement of these objectives.

No sensational improvement can be expected in 1953, but steps taken by the United Kingdom Government to decontrol the trade in certain items are introducing a welcome element of competition. Commodities for which a measure of freedom has been restored, or is in prospect, include lumber, zinc, lead, raw cotton, sugar, cereals and flour. In general these concessions to "freer" trade relate to imports of commodities which have not been seriously restricted. Their principal effect, therefore, will be to allow competitive influences rather than import licences to shape the pattern of the trade. They do not mean that the volume or value of imports will necessarily be altered.

Production

Industrial production in the United Kingdom fell by 3 per cent during the year, but was improving steadily in the closing months. Steel output rose to record levels at the year's end. The target of 16 million tons for the full year was met, and plans made to boost production to 20 million tons by 1957-1958. Larger coal production meant more exports and helped eliminate power cuts. The textile trade was the most disappointing side of the production picture, but here also improvement was apparent at year's end. Performance of the vehicle industry was mixed. Output of motor vehicles, steam locomotives and railroad passenger cars was down, and that of diesel locomotives was up.

During recent years, output per man in manufacturing has risen steadily but during 1952 it fell, and by the third quarter of the year was considerably lower than a year earlier. Between mid-1951 and mid-1952 output per man fell about 4-5 per cent. Of this, shorter hours accounted for about 1-2 per cent, and lower productivity for the rest.

Exports

The volume of United Kingdom exports in 1952 declined by 6 per cent and the value (at £2,550 million) by 1 per cent compared with 1951. This was a sharp disappointment in view of the earlier objective which called for a substantial increase. The main reduction was in textiles and clothing, which fell by £157 million. Exports of metals, engineering products and coal all rose. Exports of refined petroleum were sharply higher in 1952, a reflection of the country's increased refinery capacity.

Imports

Imports were valued at £3,481 million, a decline of 11 per cent compared with 1951. The reduction arose partly from restrictions on imports of miscellaneous and manufactured goods, but chiefly from lower consumption of some important raw materials. There were smaller arrivals of wood and timber, textile and papermaking materials and rubber; the fall in textile materials and rubber alone amounted to £272·5 million. Imports of food, drink and tobacco were 6 per cent lower in value and 10 per cent in volume. The import of rearmament items such as metals and machine tools was up.

An adverse visible trade balance is traditional with the United Kingdom. In 1952 imports exceeded exports by £932 million. In 1951 the excess was £1,324 million. Invisible items, however, favour the United Kingdom and provide some offset to the otherwise alarming trade deficit. The United Kingdom's visible trade gap with the non-sterling area was cut almost in half, falling from £1,137 million in 1951 to about £620 in 1952. The gap with the sterling area rose from £70 million to about £170 million.

Efforts to close the dollar gap are taking effect. In 1951 the loss on visible trade was about $100 million a month. For the third quarter of 1952, the monthly average was down to $70 million; for October it was only $36 million.

Sales to Canada

Since 1947 there has been steady pressure in the United Kingdom to increase sales to dollar markets and particularly Canada. In that year Canada was the sixth best customer. By 1950, only Australia bought more. Since then Canada's relative position has deteriorated steadily. By 1951 Canada was in third place and a 10 per cent fall in sales in 1952 put Canada in fourth place. Canadian imports from the United Kingdom amounted to $421 million in 1951 as compared with $360 million in 1952.

Lower values for manufactures of cotton and wool, pottery, steel, carpets, motor vehicles, and vessels more than wiped out gains in exports of cocoa preparations, tubes and pipes, electrical goods and apparatus, machine tools, machinery and toys.

Purchases from Canada

United Kingdom purchases from Canada amounted to $746 million in 1952, an increase of some 18 per cent over 1951. This was the highest ever recorded in peacetime, with the exception of 1947. This was not the result of any relaxation in United Kingdom restrictions on dollar imports; in fact the Token Import percentage was reduced from 40 to 30 per cent of base period performance. It was due to heavier expenditures on wheat, meat, tobacco, asbestos, wood and timber, ferro alloys, iron ore, aluminum, zinc and newsprint.

The continued need to conserve dollars meant that, except for goods on the Token Import list, licences to import from Canada were provided only for essential commodities which could not be obtained in adequate quantities from soft currency sources. In consequence, the range of products imported was limited and an extensive list of competitive Canadian items was thereby denied a market.

Anglo-Canadian Trade Outlook

The long-term outlook for Canadian exports to the United Kingdom was improved by the 1952 developments. The remaining difficulties are so serious, however, that under the best of circumstances, recovery will be protracted. For that reason, no sharp expansion of imports from Canada may be expected. On the other hand, the United Kingdom should succeed in holding or improving its position as a supplier to Canada.

—R. P. Bower
Commercial Counsellor for Canada

69536—2½

Northern Ireland

- *Depression in textile industry brought unemployment.*
- *Ships and aircraft industries are booked ahead.*
- *External trade has grown steadily.*

BELFAST—The predominant factor in Northern Ireland's economy in 1952 was the depression in the textile industries because of the decline in consumer demand both at home and overseas. This depression caused considerable unemployment, which was relieved to some extent by the acceleration of the British Government's defence program. Contracts placed by the Ministry of Supply and other government departments provided much-needed work for the linen, woollen and clothing industries.

Signs of improvement appeared towards the end of the year, however. Although unemployment figures for October, November and December—at 41,865, 43,950 and 45,648 respectively—were higher, this trend was mainly the result of seasonal causes rather than a further recession.

The Linen Industry

Output in the linen industry was substantially lower last year than in 1951. Exports of linen from the United Kingdom, the bulk of which originate in Northern Ireland, were estimated at £18 million at the end of October, compared with £21 million for the same period last year. Trade with the United States, the principal overseas market, sank to its lowest level in June but since then has tended to climb. Sales to Canada last year were reported to be 25 per cent below 1951 levels. A small but steady increase in the yardage of cloth produced has been evident since July. Value of orders on hand in October was 20 per cent higher than in July. Other branches of the textile industry—rayon, cotton, woollen, and the clothing and making-up trades—experienced similar difficulties, but now show signs of improvement.

Ships and Aircraft

The shipbuilding industry's chief problem continued to be the shortage of steel, particularly ships' plates. Despite this Harland & Wolff Limited of Belfast again headed the production list of British shipbuilding firms. Fourteen ships totalling 131,781 tons were launched from the Belfast yard in 1952, compared with ten ships totalling 118,554 tons in the previous year. The outstanding ship of the year was the tanker *British Skill* (28,500 tons), largest of its kind to be built locally. The only large passenger liner launched was the *Braemar Castle* (17,029), for the Union Castle Line.

The aircraft industry was engaged in production of the Canberra bomber for the Royal Air Force. This contract, and the recent arrangement with the De Havilland Aircraft Company for the production of the Comet jet airliner, will provide employment for the industry for some time to come.

Apart from ship and aircraft construction, several important rearmament contracts were placed with the engineering industry. Firms engaged in production of textile, ventilating and other machinery suffered from the steel shortage and, for the first time since the war, had to meet competition from Germany and Japan. Most of them, however, began the New Year with substantial orders on their books.

Nine new industrial undertakings, established or expanded with the aid of the Ministry of Commerce, came into production during 1952. Seven new factory buildings with a total area of 130 thousand square feet were completed, and tenants were secured for five of them. Industrial progress is also evident in the success of the Re-Equipment of Industry Act. Ninety schemes have been approved under this act. They involve a total expenditure of approximately £5·3 million, towards which the Government will make grants of £1·7 million.

Agriculture

Agricultural census figures for 1952 showed a further downward trend both in tillage and in numbers of cattle. The tillage area fell to 507,300 acres, only 7·7 per cent above 1939. The 1952 harvest season was one of the most favourable on record. Yields of all grain crops showed increases over the average for 1951. Potatoes yielded 7·9 tons per acre, which compared well with the 8·3 tons per acre of 1951's bumper crop. Exports of all classes of agricultural produce to Great Britain were well maintained, total value of shipments amounting to £38,384,460.

External Trade

The growth of Northern Ireland's external trade since the war is illustrated by the record total of £478,538,000 reached in 1951. When allowance is made for inflation and other abnormal factors such as stockpiling and defence, the figure is still proportionately greater than the average for the twenties and thirties. Imports at £261,467,000 and exports at £217,071,000 resulted in a debit balance of £44,396,000. This was offset to some extent by invisible exports and services and by capital expenditure on plant and equipment. Direct shipments from Canada amounted to £4,997,000, compared with £4,255,000 in 1949 and £4,919,000 in 1950. Imports consisted mainly of grain, timber, foodstuffs and certain items entering under the Token Import scheme, such as agricultural implements and canned goods.

Because of Northern Ireland's position within the fiscal structure of the United Kingdom, the solution of her dollar difficulties depends entirely on British Government policy. Recent inquiries on the subject have shown that any relaxation of present trade restrictions would result in the renewal and expansion of many Canadian contacts in the Northern Ireland market.

Orders for two large passenger liners, worth several millions of pounds, secured by Harland & Wolff Limited in November 1952, will provide steady employment in the shipyards for two years at least; the outlook for the aircraft and engineering industries is also satisfactory. Provided the improvement discernible in the textile industries is maintained, and given normal commercial conditions, the prospects for 1953 are much better than a few months ago.

—T. G. Major

Canadian Government Trade Commissioner

British West Africa—*second largest colonial market.*

LONDON—Nearly half the entire British colonial population lives in the four West African territories and their dependencies. Nigeria, the largest of all the colonial territories, has a population of 26 to 30 million; the Gold Coast (with Togoland), under five million; Sierra Leone, two million; Gambia, 300 thousand. Nigeria and the Gold Coast, which compare in size to Ontario and the Maritime Provinces, are leading world producers and biggest colonial exporters of cocoa, palm oil and kernels, diamonds, groundnuts, manganese ore, hides, skins and hardwoods. Sierra Leone is an important source of diamonds, chrome ore and iron ore; the Gold Coast, of gold and bauxite; Nigeria, of tin concentrates, bananas and cotton.

Second Largest Colonial Market

British West African exports are important dollar earners for the sterling area, grossing over $135 million a year in the last two years. This represents only one-quarter of Malaya's contribution, but it is 15 per cent of the total for the colonial territories and puts this region in second place in the Empire. In imports it also ranks second only to Malaya.

The four territories spent $440 million on imports in 1951 and at a rate of six per cent more during the first nine months of 1952. Something over $30 million was spent on dollar and hard currency goods. Canada is capturing only a small percentage of this dollar trade, Canadian exports in 1952 to British West Africa amounting to $1·3 million. The main Canadian products exported were vehicles, flour, machinery and newsprint.

Dollar Import Policy

In a statement in the House of Assembly in Accra, February 12th, Mr. Gbedemah, Minister of Commerce and Industry, said that the Gold Coast would "continue to import from the United States and Canada those essential requirements which cannot be met from other sources . . . The dollar allocation for the Gold Coast is adequate and is needed to cover our increased requirements of essential imports of flour, tobacco, earth-moving and timber machinery, mining equipment, and a few other items unobtainable elsewhere".

This import policy parallels Nigeria's. Both countries enjoy representative government and have a voice in determining what minimum dollar imports are economically necessary. But as a part of the sterling area, they are under stern pressure to exercise every economy.

How to Sell

Import licences for dollar goods are issued on the same basis as in other sterling area countries, with special consideration given to goods or equipment required for export industries, communications and industrial development. If Canada is to increase her share of British West Africa's

hard currency imports, the effort will have to come from producers and manufacturers of essential goods. They must make individual studies of the market under the headings of competitive pricing; local tastes and standards; selling techniques. In practically all lines agents are a necessity. Some African firms will act as agents but frequently a long-established British or European trading house with branch offices in the territory provides better coverage.

The Gold Coast and Nigeria do not have tariff preferences on British Commonwealth goods. There are no tariffs on flour, newsprint, or most types of machinery in either of these countries, although there are tariffs on motor vehicles. Both Sierra Leone and Gambia offer tariff preferences to Canada. Several shipping companies now provide regular liner connections from Canada to the area.

Vast Economic Development

Recent estimates put the national income of Nigeria at about $1,650 million and of the Gold Coast at $420 million. Considering their large population and resources, these territories are obviously capable of, and committed to, tremendous economic expansion. As each territory moves closer to full self-government more and more emphasis is bound to be placed on industrialization. Canada's engineering firms and capital goods industries have an opportunity to play a major role in this economic development.

Aluminum Project

A number of projects are on foot for the development of primary resources such as the Nigerian deposits of iron ore, coal, columbite and niobium. Then there is the Volta River aluminum scheme in the Gold Coast planned by the United Kingdom and Gold Coast Governments in conjunction with Canadian and United Kingdom producers—Aluminium Ltd. and British Aluminium Company. If the scheme is finally authorized, the Gold Coast resources in waterpower and bauxite will be combined to produce 210 thousand tons of aluminum a year. It will require about $400 million for the hydro-electric and smelter installations and for associated port, rail, road and other public works.

Three Levels of Opportunity

These four territories offer a market for Canadian exports at three stages. At the first stage, that of today, Canada can improve upon its present small share of the $30 million worth of hard currency goods imported each year. At the second stage, upon which we are now entering, Canadian engineering firms and capital goods industries can begin to participate in economic development. At the third and final stage lies the ultimate goal of a vast Commonwealth market of 35 to 40 million people.

—R. Campbell Smith
Commercial Secretary for Canada

Union of South Africa

- *Total trade was smaller by £61 million.*
- *Gold production high, but costs rising.*
- *Diamond syndicate made record sales.*

CAPE TOWN—During 1952, South Africa made a concerted effort to bring inflation under control and to discourage the further growth of high-cost production. Among the steps taken were:

- A government request to the commercial banks to restrict credit.
- Increased restrictions on the use of raw materials.
- Heavier taxation.

In the event, these measures were somewhat counteracted by increased production costs, the bottlenecks in rail transport, shortages of electric power, and rising cost of capital equipment and raw materials. Prices and wages also continued to rise.

Production was higher than in 1951 in a number of industries, particularly gold mining, base metal mining, manufacturing and steelmaking. Industrial output generally rose by 15-20 per cent. New construction fell off and the building boom seems to be over. The wool clip was higher than in 1951-52 and prices better.

Total trade for 1952, at £752 million, was £61 million less than in 1951. Imports contracted by £48 million to £422 million, and exports by £13 million to £330 million. The trade deficit was thus reduced, though total trade was smaller. Because of this, though capital inflows declined in 1952, the unfavourable balance of payments did not increase.

Import Policy

Since 1948, the Government's policy has been to keep imports in line with foreign exchange earnings. To do this, it restricts imports in three general ways:

- Certain specified goods cannot be imported except under special circumstances.
- Consumer goods are restricted to a percentage of 1948 imports.
- Industrial raw materials can be imported partly on a quota basis, but are generally purchased from dollar countries only if they cannot be obtained elsewhere.

Trade with Canada

Canadian-South African trade in 1952 was marked by a heavier balance in Canada's favour than in 1951. A glance at the record of Canadian exports to the Union in recent years, however, suggests that South African purchases of motor vehicles and parts, newsprint, wheat, agricultural equipment and, to a lesser extent, lumber, cannot be readily

reduced. Sales of Canadian goods to South Africa in 1952 totalled \$47·9 million, compared with \$52·7 million in 1951. Leading commodities were:

Commodity Exported	Value million \$
Wheat	10·4
Motor cars, trucks and parts	10·4
Newsprint and other papers	6·9
Lumber	3·9
Agricultural machinery	2·0
Iron and steel bars	1·5
Cotton fabrics, including duck	1·5
Linseed and flaxseed oils	1·5

Canadian imports from South Africa during 1952 totalled \$4·16 million, as compared with \$5·3 million in 1951. It seems unlikely that the trade between the two countries will come into better balance because their agricultural production is somewhat similar and South African industries sell their products largely in the domestic market or to neighbouring countries.

Principal commodities sold to Canada included:

	January to November 1952	January to November 1951
Diamond Bort	\$1,476,578	\$ 980,459
Wines and brandies	481,097	540,100
Wool (washed or scoured)	279,784	1,191,320
Canned fruit (apricots and pineapple)	130,152	738,604

Mining Industry

Gold production totalled 11,815,502 fine ounces, an increase of 309,863 ounces over the previous year. Contributing to the increase was an additional 103,995 ounces from the mines of the Transvaal and the output of the fast-growing Orange Free State field which, after yielding a first 11,544 ounces in November and December 1951, supplied 224,412 ounces during 1952.

The declared value of the Union's output increased by £4·1 million to £146·9 million, but the return from premium sales declined by £2·6 million to £3·7 million. The corrected net value of gold production in the Union was thus £150·6 million. Chronic shortage of labour, electricity rationing and the mounting costs of production handicapped producers. Operating costs in the Transvaal rose by 11/2d. per fine ounce to 180/3d. Profits declined from 15/2d. to 13/2d. per milled ton, and dividend distributions, mirroring the lesser profit, were lower by £3 million.

Future operations should benefit progressively from the recovery of uranium as a by-product and eventually such recovery may add £30 million to net income.

The Central Selling Organization established a new record for the diamond syndicate during 1952, with sales valued at £69·7 million, consisting of gem stones sales, £45·8 million and industrial diamonds, £23·9 million. This was an overall increase of 7·1 per cent over 1951. The market for cut and polished stones strengthened late in the year and a continuing sellers' market for gems is anticipated.

69536—3

The following table shows the quantity and value of diamonds exported from the Union during 1951 and the first ten months of 1952:

	1951		1952 January-October	
	Carats	Value	Carats	Value
Rough and uncut	4,483,279	£15,379,386	3,904,093	£15,168,413
Polished	116,819	9,832,098	94,937	8,065,064
		£25,211,484		£23,233,477

Agricultural Production

Domestic consumption of agricultural products is growing more rapidly than production and South Africa, traditionally an exporter of foodstuffs, is close to becoming an importer.

Agricultural production during the season ending April 1952 was spotty. The maize harvest was disastrously lower. Wheat production was well above average. The citrus crops were satisfactory, and so were the export returns. There was a short crop of export grapes and downgrading reduced the returns. The wine vint was curtailed by 40 per cent because of a shortage of crushing grapes.

Wattle bark and extract: Large and continuing postwar expansion in plantation acreages has increased production. Exports of bark and extract during the first eleven months of 1952, valued at £6·6 million, were 27·5 per cent above the similar period of 1951.

Harvesting the grapes at Paarl, Cape Province. The 1952 crop was not up to the usual standard and the yield was down. This in turn curtailed the wine vint by about 40 per cent.

Deciduous fruits: A bumper crop is now being harvested. Exports to January 10, at attractive prices, have been 15 per cent above shipments at the same date last year.

The present season will set production records for both canned fruits and jams, with a pack much above that for the 1951-52 season ending October 31, 1952, when production amounted to 1,753,535 cases (of 45 pounds) of canned fruits and 1,561,850 cases (of 48 pounds) of jams and jellies.

Citrus fruits: Production estimate for the citrus crop is unavailable but unofficial opinion suggests a harvest at least as large as that of the previous season, when the industry earned £9·8 million from export sales of £8·6 million (largely to the United Kingdom) and £1·2 million in sales to the domestic market.

Sugar: The estimated sugar output of 658 thousand tons in the 1952-53 season will mean a substantial carryover, and rationing has been relaxed.

Commodity Prices Higher

The retail price index (1938=1,000), based on food, fuel, rent, light, and sundries, as used in the Union to measure changes in the cost of living, increased from 1,805 in October 1951 to 2,226 in October 1952. During the past year the wholesale index (domestic goods) advanced by 477 points from 2,120 to 2,597, and the wholesale index (imported goods) rose by 146 points to 3,950.

Transportation

Transportation facilities—including improvements to roadbed, increased rolling stock, new railway connections and lines, additional maintenance shops and terminal facilities, harbour equipment, docks and air service facilities—have involved the railway administration in expenditures of £227 million since the end of the war. A new level of spending was reached during 1952-53 at £43 million and a further £54 million has been earmarked for spending in 1953-54.

Outlook for '53

For a number of years South Africa will need to find capital for long-term national projects. Heavy expenditures on power development, improved transportation facilities and water and soil conservation are imperative, even though such projects do not contribute directly to national income. These urgent national developments have first claim on overseas' credits and will moreover place a heavy load on the domestic economy.

Unless the international situation changes, however, 1953 should be a good year, with a large measure of domestic prosperity distributed throughout the economy.

—Kenneth F. Noble
Canadian Government Trade Commissioner

69536—3½

Southern Rhodesia—*rapid expansion is checked.*

JOHANNESBURG—The year 1952 brought certain checks to the Colony's rapid and almost unrestricted expansion ever since 1946. The increasing demands made upon the exchequer by commerce and industry —and by the transport and power services—brought about a serious situation in March. Measures to meet it and to help the sterling area generally were much more drastic than those introduced at the close of 1951, when the authorities became alarmed at the size of the trade deficit.

This second tightening of controls involved making a positive contribution towards the strengthening of the sterling area reserves, rather than merely limiting the Colony's non-sterling payments to non-sterling receipts, including the proceeds of gold sales. There are no restrictions on trade with the sterling area. The policy for 1953 is to maintain the same degree of control and the same economy in the use of foreign currencies as in most of 1952.

Exports vs. Imports

Apart from the need to support sterling, Southern Rhodesia's own economy needed some attention when the trade returns for 1951 became available. The phenomenal postwar industrial expansion meant a higher level of imports for that year. In addition, the expansion has brought serious transport difficulties. To a large extent building, water, electric light and power supplies, and coal production are all interdependent and all draw on an inadequate transport system. Emphasis in 1952 was therefore placed on imports of essential raw materials for industry and for power and railway equipment. Imports continued to increase but exports, mainly as the result of a record crop of tobacco and greater mineral production, increased even more, to the benefit of the trade balance.

Total value of imports from January to November 1952 was £82,-583,139, compared with £78,250,486 for the same period in 1951. Exports of local produce for the same months reached £42,228,161—some £8M more than in 1951. The trade deficit thus shrank from some £44M to approximately £40M. The United Kingdom remains by far the principal source of Southern Rhodesia's imports, with the Union of South Africa a good second. A feature of the trade in 1952 was substantial increases in purchases from Belgium and Germany—mainly industrial equipment.

Trade with Canada

Canada's exports to Southern Rhodesia for 1952 ($2,195,100) were lower by $474,369 than the record value in 1951 ($2,669,469), but well above the 1950 exports ($1,202,000). Because of a change in the pattern of trade with the Colony, principal items bought from Canada during the year were wheat, timber, newsprint and wrapping, farm implement parts, mining machinery, motorcar parts, semi-fabricated aluminum, sodium and sodium compounds, aircraft and parts. Much reduced, and in some cases completely gone, is the once valuable trade in malt, linseed oil, rubber and leather products, textiles, wooden casks, hardware goods, farm implements and machinery, motorcars and trucks and metalware.

Southern Rhodesia's exports to Canada have traditionally consisted of vegetable oils, unmanufactured tobacco, chrome ore, and non-metallic minerals. The value of all Canadian purchases totalled $1,459,000 in 1952 as compared with $1,496,000 in 1951, and $401,000 in 1950. The trade balance has thus come back to about two to one in Canada's favour.

Prospects for 1953 are that the demand for Canadian products will be reduced because of the decision to cut imports of timber (the supply position is reported as fairly good), and the beginning of wrapping paper and paperboard production in the Colony. Other goods qualifying for entry under the control regulations should fare about the same as in 1952.

—BLAIR BIRKETT
Canadian Government Trade Commissioner

Northern Rhodesia —*colony has substantial trade balance.*

JOHANNESBURG—This Crown Colony, about twice the area of Southern Rhodesia but with about half as many inhabitants, mainly depends for its livelihood on mineral products—in particular, copper. All other activities are in support of, or complementary to, the mining operations. The progress made in the last three years is indicated by the steadily increasing internal revenue. For 1950 total revenue was £15,900,000; in 1951 the figure increased to £23,660,000, and in 1952 to £25,238,000. The estimate for 1953 is about £30,340,000.

Mineral production generally rose during 1952 and, despite declining prices for copper and zinc, the overall value of output was higher than in 1951. A strike during October and November prevented production from reaching a higher figure.

Licensing Imports

As a Crown Colony, Northern Rhodesia's internal finances and expenditures abroad are controlled from London. In common with other units of the Colonial Empire, Northern Rhodesia is closely restricted in its expenditure on dollar imports. The control follows the usual pattern of licensing imports from the hard currency areas only if they are essential and not available from soft currency sources. Thanks to exports of copper to the United States, Northern Rhodesia has been making an appreciable contribution to the cause of sterling.

On current trading account the Colony has for years enjoyed a substantial balance in favour of exports; 1951 operations resulted in a record balance of over £31 million (exports £67 million—imports £35,400,000). For January-October 1952, export value reached £70,350,000 and import £35,250,000, thus pointing to another overall record trading year and a larger balance. As with Southern Rhodesia, British Commonwealth countries, including Canada, are the main source of Northern Rhodesia's imports. The United Kingdom and South Africa are by far the largest

suppliers. Copper makes up about 87 per cent of Northern Rhodesia's exports; leading buyers are the United Kingdom, South Africa, the United States, Sweden, Belgium, Australia, Southern Rhodesia and Germany.

Purchases from Canada

Between 1949 and 1951, Canadian exports to the Colony fell from $553,000 in '49 to $280,805 in '51, largely as the result of restriction on purchases of packaged foods, particularly canned fish and vegetables. Other things which suffered were certain metal products, motor cars, and household appliances. The year 1952, however, has seen a considerable improvement with the value increased to $467,332. Greater interest in Canadian timber, motor vehicles, iron bars, farm implement parts, mining machinery, wire screening, and firebrick was largely responsible for the recovery.

The year 1953, it is expected, will see the control over expenditure of non-sterling currency continued. The price of copper will largely determine the extent of purchases from hard currency countries.

—Blair Birkett
Canadian Government Trade Commissioner

Nyasaland —*limited opportunities for dollar goods.*

JOHANNESBURG—The Protectorate of Nyasaland—one of the three territories of Central Africa likely to federate in the near future—has the smallest area of the three, the smallest white population, and the largest black population. It is mainly an agricultural economy, producing for export modest quantities of tobacco, tea and cotton. A little gold is also mined.

During 1952 the tobacco crop brought lower returns than in 1951, the crop was smaller and of poorer quality. Exports of tea, a fair quantity of which goes to the United States and Canada, brought slightly more than in 1951. Against this export trade, increased imports during 1952 served to push up the adverse balance of external trade. At the end of the first eleven months this balance stood at £2,334,745, compared with £1,295,739 for January to November 1951. The position therefore compels the continuance of severe import restrictions in 1953, particularly on imports from all non-sterling countries. It is reported that the greater part of the applications for non-sterling currency have had to be rejected.

During 1951, of a total value of imports of £6,719,183, over 95 per cent came from soft currency sources. The only change in this direction of trade from that of the years before 1950 (the year in which stricter control was imposed on expenditure of hard currency) is decreased buying from the United States—mainly smaller shipments of petroleum oils and greases. Under present conditions imports of dollar goods, which the United States and Canada share on about even terms, consist of small quantities of timber, paper, motor cars, lamps and lanterns, and agricultural machinery and parts.

—Blair Birkett
Canadian Government Trade Commissioner

British East Africa

- *Agriculture is still the main industry.*
- *Mining becomes important as new minerals are found.*
- *Great need for capital overshadows the economy.*

JOHANNESBURG—British East Africa comprises the Colony and Protectorate of Kenya, the Protectorate of Uganda, the trustee territory of Tanganyika, and the Protectorate of Zanzibar. In all, the area covers about 700 thousand square miles and supports a total population of 18,100,000, only 44 thousand of which are white. Economically, Kenya is the most advanced of the four territories.

Agriculture is still the main pursuit of the inhabitants, but in recent years interest has developed in mining, particularly in Uganda. Apart from the processing of locally grown cotton, sisal and tea, manufacturing is limited to the production of dairy and fruit products, soap, wattle extract, paints, sisal bags, furniture, blankets, shoes and clothing. Plans are advancing for factories to manufacture cotton yarn and piece goods, cotton blankets, cement, and a few other commodities.

Exports Increase

Of great dollar-earning value to the territories is their export trade in coffee, tea, sisal, tobacco, and coconut oil. Diamonds, sodium carbonate, and hides and skins are also important. Practically all these exports have increased during the past few years. In 1951 Uganda's total exports were valued at £47·4 million; Tanganyika's at £39·5 million; Kenya's at £25·4 million and Zanzibar's at about £6·2 million. Normally, the United Kingdom is the largest purchaser, with the United States next in importance. Canada's imports from British East Africa for 1952 were $7·98 million ($10·86 million in 1951).

Larger Low-Priced Imports

Imports cover the usual range of goods and materials required by an agricultural community, plus equipment and machinery for the mines. Because of the small white population, imports of consumer goods are largely low-priced articles for the Asian and African communities. Canada's exports to British East Africa during 1952 were valued at $1,030,964 ($1,443,803 in 1951).

Most of these countries have favourable trade balances. Other sources of income are inflows of capital, earnings from tourists and hunters and, for Kenya and Tanganyika, port revenues.

Import Controls

In common with other units of the Colonial Empire, British East Africa has been required to assist in protecting the sterling area reserves of gold and hard currency by import control. The controls were con-

siderably tightened in 1952 as the result of a substantial step-up in imports in 1951, and a lowering of price levels for agricultural exports which began early in 1952.

The general effect of the import control in the four territories is to limit dollar and other hard currency expenditures. With certain exceptions, goods of sterling area countries are covered by an open general licence and can be imported freely. Goods from other countries require import licences. For soft currency countries these licences are issued without much question but they are issued only for essential supplies from hard currency sources.

Customs Tariffs

Kenya, Uganda and Tanganyika now constitute a single unit for customs purposes and, with a few exceptions, the customs tariffs of the three territories are identical. Zanzibar has a separate tariff. In Kenya, Uganda, Tanganyika and Zanzibar there are no tariffs on agricultural and other machinery, most types of motor vehicles and a number of other commodities, including containers and packaging materials.

Economic Development

Knowledge of the economic potentialities of British East Africa was meagre and unrelated until recent years. Surveys into the hinterland, however, have added much to the information available on the soil, the mineral deposits, power and timber resources. Since 1950, important discoveries of copper have been made in Tanganyika; of niobium, magnetite and apatite in Uganda, and of coal in Kenya. Plans are already under way to develop these resources. Three world famous mining companies have joined with the Uganda Development Corporation to operate a pilot plant in the Tororo area. Power for industry will come from a £20 million hydro-electric scheme, the biggest on the continent, now nearing completion at Owen Falls at the outlet of Lake Victoria in Uganda.

The present encouragement to secondary industry is welcomed by the authorities as an eventual solution to the many problems created by the ever-increasing population and the dependence on deteriorating small land holdings. This applies particularly to Kenya, which is now the testing ground for the development of a multi-racial society.

Capital Needed

Overshadowing the whole picture of British East Africa's economic development and, indeed, its general wellbeing, is the great need for capital. It is urgently needed for projects to overcome the serious bottleneck in rail and port facilities, to help the land-hungry natives towards greater food production, and for many industrial undertakings. This financial support for territories capable of earning and saving dollars for the sterling area must be forthcoming if the economic ills are to be remedied. Full development of the territories' economic resources is regarded as the only long-term solution of the present difficult situation, at least in Kenya.

—Blair Birkett

Canadian Government Trade Commissioner

Pakistan

- *Slump in cotton and jute markets brings recession.*
- *Imports, especially from dollar area, curtailed.*
- *Wheat shortage forces large wheat purchases abroad.*

KARACHI—In 1952 Pakistan experienced the most critical economic recession in the five years of its existence. Although there are indications that the worst may be over, distressing conditions continue in some phases of the economy. The recession was featured by slumps in the raw cotton and raw jute markets, affecting these two vital cash crops upon which the Pakistan economy depends almost entirely. It was also accentuated by an unforeseen and unusual shortage of wheat, West Pakistan's staple food grain, which meant that dwindling foreign exchange reserves had to be used to buy wheat abroad.

Basically an agricultural country, Pakistan must export to live and to earn the foreign exchange for its imports. Thus jute and cotton, which account for 90 per cent of the country's exports and 99 per cent of its foreign exchange earnings, plus imports, are the keys to the situation.

Demand for Cotton and Jute

During the first half of 1952, foreign buyers began to withdraw from the Pakistan cotton market, prices fell sharply, and the Government was forced to introduce a support scheme. Japan, normally a large buyer, made only small purchases; the United Kingdom's usual big offtake was halved. At the end of August, when the new cotton crop starts to come into the market, there was a carry-over of 300 thousand bales (400 lb. each) from the previous crop. With the new crop estimated at 1,750,000 bales, Pakistan was faced with a formidable amount of cotton to offer in a buyer's market. To the detriment of the country's internal revenues but to assist exports, the export duty on cotton was lowered from Rs.180/–* per bale to Rs.90/– per bale on staple, and the export duty on Desi cotton was abolished. The last quarter, usually the business peak of the cotton season, saw external demand pick up and conditions in the cotton market show encouraging signs of improvement. Unfortunately the quality of Pakistan cotton is not up to standard this year and it is estimated that the carry-over at the end of the current season will be about 500 thousand bales.

Raw jute followed somewhat the same pattern as cotton. The volume of exports, however, was fairly well maintained and the decline in prices was due more to a superabundant supply than to a decline in demand. In February a government support scheme was announced, followed in June by a reduction in export duty from Rs.7/– to Rs.3/– per maund (82·27 lb.), with a special additional export duty of Rs.2/8/– per maund applied to exports to India.

At the end of the season in June there was an unprecedented carry-over of between 2·5 and 3·8 million bales (400 lb. each), when the new crop of more than seven million bales started to come into the market.

---

* One rupee=approx. 30 cents Canadian.

This jute fibre, drying in the sun, represents one of Pakistan's two main cash crops. Though the demand for jute remains good, especially from India and the U.S., the large carryover of stocks presents a problem.

In the second half, demand improved and external sales were quite brisk. The re-entry of United States buyers into the jute market made a notable addition to overseas demand and the demand from India, Pakistan's best customer, was good. By the year's end, the jute situation was improved but the carry-over presents a major problem. Efforts are being made to meet it by a reduction in acreage.

Lesser exports, such as raw wool, tea, and hides and skins, met similar market conditions. The duty on tea was eliminated in September and the volume of exports was quite good, but prices were so low that the tea gardens suffered. The 25 per cent export duty on raw wool was withdrawn during the first half of the year and by the end of the year the wool market was firm, with a fair demand.

Foreign Trade Suffers

Figures of Pakistan's 1952 foreign trade reflect the seriousness of the recession in the cotton and jute markets. For seven successive months, from March to September, Pakistan's imports for private account by seaborne trade exceeded exports by distressingly large amounts. Only in October, after imports had been drastically curtailed, did the balance become favourable.

By June, when it became obvious that the balance of trade was becoming increasingly adverse, belated measures were taken to restrict credit and to widen the field of exchange control in an effort to curb imports. In November the Open General Licence, under which a generous list of major items used for the development of the country could be imported without licence, was cancelled.

Together with the slightly improved export situation, these restrictions on imports had a salutary effect on the country's trade balances in October, November and December.

Statistics on Pakistan's balance of payments for the quarter July-September reveal a net deficit of Rs.405·9 million ($121·77 million) as compared with Rs.283·3 million ($84·99 million) in the previous quarter and only Rs.23·3 million ($6·99 million) in the corresponding period last year. The deterioration in the balance of payments situation came, of course, from the distinct falling-off in foreign demand for cotton and jute, much lower export prices, and a steep rise in payments.

Wheat Shortage

Although the recession in the cotton and jute trade showed some improvement in the last quarter, the all-important foreign exchange position was bedevilled by Pakistan's unusual wheat shortage.

By June it was apparent that the spring wheat crop would fall short of the country's requirements by several hundred thousand tons. Measures were immediately taken to obtain wheat from abroad by barter, loans and direct purchases. It is estimated that before the 1953 spring wheat crop is harvested Pakistan will have imported approximately 800 thousand tons of foreign wheat. The effect of these imports on the foreign exchange reserves of the country is undoubtedly the main reason for the cancellation of the Open General Licence.

To add to the foreign exchange difficulties, it is now known that the 1953 spring wheat crop will also be insufficient to meet Pakistan's needs. The quantity of wheat which it will have to import during 1953 will be as large, if not larger, than in 1952.

Imports from Canada Up

Despite these distressing economic conditions, Canadian exports to Pakistan in 1952 totalled $16 million, a substantial gain over previous years. However, exports of products for ordinary commercial use declined considerably in the second half of the year. Shipments of Canadian wheat which Pakistan purchased commercially in Canada accounted for a large part of Canada's exports during the second half. A fair proportion of Canadian sales to Pakistan in 1952 were for government account and hence not subject to import restrictions.

Canadian products which are essential to Pakistan's development program, or needed for maintenance or other necessary uses, should find a continuing, though possibly a temporarily restricted, market. Such things as non-ferrous metals, motor vehicle spare parts, agricultural machinery, heavy chemicals, antibiotics, etc., should continue to sell in limited quantities. Preference in imports will be given to the sterling or the non-dollar area unless dollar area offers are more attractive in price, quality, etc. In fact, on March 2 Pakistan announced that it would curtail dollar imports drastically. Only essential basic materials or manufactured goods will be admitted on private account.

The United Kingdom and Japan, usually two of Pakistan's best customers for raw cotton and, with India, Pakistan's largest suppliers, are almost certain to continue to be Canada's chief competitors in this market.

—A. P. Bissonnet
Commercial Secretary for Canada

69536—4½

India

- *Many industries have increased production notably.*
- *Some controls on food grains relaxed during year.*
- *Larger shipments of wheat marked trade with Canada.*

NEW DELHI—In reviewing Indian economic conditions over the year, the most important single factor is the monsoon and its effects, because the vast majority of the population is engaged in agriculture. The Indian climate includes such a large range—from tropical in the South throughout the year to intense dry heat in summer and cool weather during the winter in the North—that conditions vary considerably in different parts of the country. It is only rarely that the monsoon bestows its benefits on all parts of the country in a single year. In 1952 South India had insufficient rains, although over the past few years failure of the monsoon in that area seems to be the rule rather than the exception. On the whole, however, the monsoon was more satisfactory than in recent years.

Natural disasters such as floods and earthquakes were not so prevalent. As a result of these positive and negative factors, 1952 proved better than previous years. In some spots continued drought still threatened famine but, though distress in these areas has been evident, the authorities have been able to avert major disasters. The standard of living for most Indians, however, remains extremely low. Nevertheless, in many respects the country was better off at the close of the year than at its beginning.

Prices and Production

The belief in India, as in many other countries, that the danger of war has diminished to some extent had a considerable bearing on economic events. The need to conserve raw materials and retain price and other controls was no longer felt to be urgent. The result was that, though prices in the first two months of 1952 tended to decline, March and April saw a sudden and heavy drop in the prices of a wide range of commodities. This forced hoarders to unload their stocks. Although the business community—chiefly the speculative element—suffered heavy losses, the recession had its advantages. Inflation appears to have been brought under effective control and prices for both necessities and consumer goods have been more reasonable.

In industry generally there was a notable rise in production, carrying further the trend begun the previous year. The average general index of production (base 1946=100) based on the figures for the first eight months, touched a high of 126·3 as compared with 117·4 for 1951. The performance of individual industries such as steel, cotton yarn and cloth, coal, cement, sugar, jute goods and salt was even more encouraging, with most industries exceeding their previous records.

This rise was not upset by the sharp recession experienced early in the year; in fact, a slight increase in production followed the recession.

This was mainly because of the prompt action taken by the authorities to relax credit controls to some extent, so that industry was not short of working capital. In addition, a number of export duties were reduced or abolished. There was no severe unemployment and the purchasing power of labour was not affected. It is also probable that the fall in prices of industrial raw materials itself helped to maintain production. So did better relations between labour and capital; there were no major strikes during the year in any industry.

Agricultural Output

Because of climatic conditions, the trend of agricultural production cannot be expected to be uniform. With the exception of oilseeds and tea, all the important cash crops registered increases; those for jute, cotton and sugar were particularly satisfactory. In the oilseeds group, production of both groundnuts and linseed was lower but not to any serious degree.

Reliable statistics on production of food grains in India are not available. Official estimates indicate a decline of about two million tons, largely because of the failure of the monsoon in some parts of the country. If, however, the trend of imports and the behaviour of food grain markets are any indication of the actual output, a fall of over two million tons appears exaggerated because more food grains are available on the market than in 1951. This may be due to the forcing out of hoarded grain, induced by falling prices. Imports of food grains during the current year were substantially lower, at 3·9 million tons as compared with 4·7 million tons in 1951.

Grain Controls Relaxed

For the first time since the unfortunate experiment in 1948, controls on food grains were relaxed over a wide area of the country, beginning in the chronically deficit State of Madras. A number of other states followed suit, some lifting price control or freeing the cheapest grains (such as milo) from rationing, and others relaxing their control over the movement of food grains from one district to another. At the end of the year, about 31·8 million people were under statutory rationing throughout the country, compared with 46·5 million at the beginning. The number of persons served through government fair-price shops has, however, increased greatly, mainly as a result of drought which produced small famine "pockets" in certain districts, especially in the South.

Living Costs Fall

The general level of prices moved in favour of consumers during the major part of the year. Wholesale prices of all commodities declined steadily for the first five months. For the next four months the trend was in the opposite direction, followed by a slight decline thereafter. Compared with pre-Korean prices, the level was slightly lower. Over the year the index showed a fall of 12 per cent.

The fall in wholesale prices in the early months of the year brought down living costs in many parts of the country. In twelve out of fifteen industrial centres, the working-class cost of living is definitely lower than in 1951, although in recent months some rise has again become evident.

The three centres where it was higher over the year were Bombay, Ahmedabad and Delhi. The increase in cost of living in these centres is due chiefly to the withdrawal of food subsidies early in 1952.

Banking and Currency

The success of the anti-inflationary measures initiated by the Government towards the close of 1951 is reflected not only in price levels but also in the monetary and banking field. Between the end of December 1951 and the middle of December 1952, the volume of currency in circulation decreased by Rs.582·4 million to Rs.12,232 million. Similarly, net deposits of scheduled banks declined by Rs.73·6 million to Rs.8,388·4 million. The volume of bank credit went down by Rs.871·7 million to Rs.4,563 million. The credit situation is thus well under control.

The Trade Picture

An unfavourable foreign trade balance of Rs.302·9 million marked the first nine months of 1951; in 1952, the adverse balance during the same period increased to Rs.1,749·8 million. The value of exports declined by Rs.1,133·4 million and the value of imports increased by Rs.313·5 million. The decline in the value of exports can be accounted for mainly by the general drop in prices of raw materials in the early part of the year. Although statistics are not available, it is believed that the 1952 volume of exports will compare favourably with 1951. India's balance of payments was adversely affected last year by the decline in export prices not being compensated for by an equivalent decline in import prices.

Despite this heavy adverse balance of trade, the balance of payments did not present a serious problem because of the large wheat loan given by the United States and because of substantial withdrawals from the sterling balances. Over the year, India's foreign exchange assets declined by Rs.823·8 million and now stand at Rs.6,987·1 million. Considering the country's heavy exchange requirements for development purposes, especially under the Five-Year Plan, it is essential that the promotion of exports be given high priority by the Government, especially jute goods, tea and textiles, India's traditional exports.

Imports from Canada

Canadian exports to India in 1952 amounted to $55 million, and imports from India to about $28 million. The balance in Canada's favour thus totalled about $27 million. Compared with the previous year, Canadian exports increased by $20 million and imports declined by $22 million, thus showing a pronounced reversal in the trend of trade between the two years. The notable increase in 1952 came largely from larger shipments of wheat ($38·6 million) in 1952 as compared with 1951 ($18·7 million). Apart from wheat, Canadian exports showed no change in 1952 compared with 1951. It is also interesting that, but for wheat, India would have had a favourable balance of trade with Canada. The decline in the value of Canadian imports from India was largely due to lower prices for jute goods and other commodities.

—Richard Grew
Commercial Counsellor for Canada

Ceylon

- *World prices for Ceylon's exports have dropped.*
- *Purchases from Commonwealth countries increased.*
- *Sales of flour boosted Canadian exports to Ceylon.*

COLOMBO—Ceylon had a very unfavourable trading year in 1952—perhaps the worst in its history. The value of exports decreased by more than Rs.400 million compared with 1951, and imports increased by nearly Rs.150 million. Thus a favourable 1951 balance of trade of Rs.343 million turned into an unfavourable balance of Rs.205 million in 1952.

The economic position at the close of 1952 could fairly be described as extremely difficult. National income depends to an abnormally high degree on the returns from the export of a limited range of commodities. At the same time, the country depends on overseas sources of supply for a large proportion of its basic foodstuffs, textiles, machinery, transport equipment and other goods. World prices for Ceylon's exports fell off by some 10 per cent; the cost of its principal imports, mainly rice, went up by 20 per cent. The Government continued its established policy of supplying rice, flour and sugar on ration, at prices far below normal market rates and this absorbed a high proportion of its revenue. Supplementary expenditures went towards civil service salaries, the feeding of school children and in a number of other directions.

Imports Again Restricted

Up to the middle of 1952 there were hopes for some improvement in the country's export trade. Accordingly it was felt that continued expenditure on imports, even from dollar countries, was justified by the desirability of going ahead with development and rehabilitation schemes and the need for maintaining living standards. Soon after, it became apparent that the country's finances were over-strained and that expenditures in dollar countries were excessive. Import and exchange controls, which had been substantially relaxed a year or so before, were accordingly reinstated and it is possible that some further steps will be taken.

Trade by Countries and Commodities

A general review of Ceylon's foreign trade reveals an increase in purchases from Commonwealth countries of some Rs.60 million and an increase in imports from other countries of Rs.85 million. Purchases from individual countries included: United States, Rs.67 million; United Kingdom, Rs.40 million; China, Rs.29 million; Japan, Rs.26 million and Canada, Rs.21 million. There were at the same time decreases in imports from Burma of Rs.45 million; Iran, Rs.34 million, Pakistan, Rs.19 million.

Exports to Pakistan went up by Rs.6 million and to Japan by Rs.3 million. There was also a large but undefined increase in the trade with China amounting to some Rs.90 million. On the other hand, exports to the U.K. fell off by Rs.172 million, to the Netherlands by Rs.51 million, to the United States by Rs.42 million, and to various other markets to more or less the same degree. Exports to Canada were well maintained at Rs.71 million as compared with the previous year's Rs.73 million.

Turning to import trade by principal commodity groups, Ceylon's overseas purchases of grain and flour (including rice) increased in value over 1951 by Rs.100 million. This represents two-thirds of the rise in import values during the year. Other factors of lesser importance were:

Commodity	Increase in value (in rupees)
Vehicles (including motor cars and railway equipment)	22 million
Machinery	19 "
Miscellaneous textiles	11 "
Oilseeds and similar products	11 "
Glass and earthenware	7 "
Coal	6 "

Imports of cotton yarn went down slightly, by Rs.17 million, and electrical equipment by Rs.6 million.

In exports, the most significant decline was in rubber, exports of which were off by Rs.209 million. The decline in coconut products was Rs.93 million and the tea trade suffered to the extent of Rs.80 million. There were, in fact, practically no typical exports which did not show a substantial decline as between the two years.

The decline in the value of Ceylon's exports of coconut products during 1952 was largely in coconut oil. The business in fresh coconuts and desiccated coconut remained substantially the same as in 1951 and the trade in copra showed a sound increase. Coconut oil sales, however, declined in value by almost Rs.100 million and overseas sales of coconut poonac by Rs.4 million. The value of business in liquid latex increased slightly because of recent developments in storage and transport facilities.

Canada-Ceylon Trade

Imports from Canada in 1952 increased substantially in value over 1951—from Rs.17,215,867 to Rs.38,516,511. A large proportion of this resulted from more shipments of Canadian flour. Minor sales of railway ties, agricultural machinery, motor vehicles and dry cell batteries went up slightly. There were, however, substantial declines in milk products and canned fish. A slight falling-off in the newsprint trade was made up by increased business in wrapping and miscellaneous paper.

Ceylon's exports to Canada during 1952 were much better maintained than were her exports to many other countries. The value for the tea trade increased by over Rs.7 million and that for desiccated coconut by more than Rs.1,500,000. There was, however, a decline in rubber exports of Rs.11 million and the net decline for the year amounted to Rs.2,500,000. Altogether, although Canada is one of Ceylon's secondary export markets, the year's business can be regarded as reasonably satisfactory.

The outlook for trade between the two countries this year is very uncertain. Ceylon's imports may be further restricted to highly essential goods such as flour, newsprint paper, railway ties, commercial motor vehicles and a few similar commodities. Exports of tea and coconut products may remain reasonably constant and, depending on world market trends, values may decrease more than actual quantities. The general prospect, however, is for a falling-off in both import and export values.

—Paul Sykes

Canadian Government Trade Commissioner

Malaya

- *Rubber prices, production and exports slipped.*
- *Trade deficit was offset by invisible earnings.*
- *Imports of cars and trucks from Canada higher.*

SINGAPORE—By comparison with 1951, when Malaya's trade and commerce topped all previous records, last year's economic tempo was much reduced. Excessive imports during the post-Korean boom caused a glut of goods which were liquidated, often at a loss, in 1952. Traders were cautious about placing orders on a falling market and would not risk working capital on new lines. Many firms that expanded during the prosperous years 1950 and 1951 found they lacked sufficient capital, know-how and contacts to make their new ventures profitable after the boom subsided.

Other indications of the trend towards more stable and normal business conditions were:

- A steady drop in money in circulation during 1952 following eighteen months of increases.

- Falling banking statistics. For example, advances fell from M$703 million in January to M$484 million in December.

- Virtually no change in the official cost-of-living index during the year, whereas throughout the previous two years it rose steadily.

- A decline of 20 per cent in imports and 37 per cent in exports, resulting in an unfavourable trade balance.

Rubber and Tin

Economic activity in Malaya and Singapore depends almost entirely on two things: first, rubber and tin, and second, entrepôt trade with neighbouring countries. Returns from rubber and tin depend on world supply and demand and the level of entrepôt trade is governed by the prosperity of the nearby raw material producing areas such as Indonesia, British Borneo, Thailand and Burma . The Federation of Malaya produces the rubber and tin and the Colony of Singapore handles two-thirds of the trade and shipping.

Rubber is the bellwether of the Malayan economy and the rubber market is as sensitive to outside influences as any commodity or stock exchange. During 1952 production slipped by 18 thousand tons to 587,342 tons and exports (including re-exports, mainly from Indonesia) dropped by 20 per cent to 915,294 tons. A more serious decline in price took place from January's M$1.40 per lb. f.o.b. Singapore to 75 cents per lb. in September. At this price, rubber production is just profitable; a further reduction would produce serious economic and political repercussions. As it is, to some extent Malaya is living off the profits made during the 1950 and 1951 boom in rubber when the price soared to M$2.30 per lb.

The entrepôt trade between Singapore (and, to a lesser extent, Penang) and neighbouring countries is a most complicated business. Singapore's strategic location on the shipping lanes between China and Japan and countries to the west make the colony a natural collecting and distributing centre for the whole of Southeast Asia. Rubber, tea, spices, copra, etc., are brought to Singapore for trans-shipment, grading and processing. Singapore merchants import textiles and consumer goods from overseas and re-export them to neighbouring countries. This position as middleman is a precarious one and Singapore has often been circumvented because of foreign government controls, or the hard facts of a cheaper source or a more profitable direct connection.

Trade statistics do not tell the whole story, but they do give an idea of the trend in the entrepôt trade. Malaya's imports from Indonesia dropped by 37 per cent in 1952 but they were still above the figure for 1950 and previous years. Exports to Indonesia fell by 17 per cent but again they were well above 1950 values.

Trade and Finance

Annual trade figures for Singapore show that imports declined by M$909 million from 1951 and that exports dropped M$2,282 million. Again rubber was the dominant factor. The decrease in value of rubber imports was M$609 million and of rubber exports M$1,403 million. The decline in value of other imports and exports was rather less.

The favourable trade balance of 1950 and 1951 was reversed last year when Malaya had an adverse balance of M$52·6 million. This was more than offset, however, by invisible earnings—for example, expendi-

—Central Office of Information

Forty per cent of the world's tin comes from Commonwealth countries—and a large proportion of this from Malaya. Here a Malayan is carefully sluicing the tin ore in special washing troughs away from the mine.

tures by the United Kingdom of some £25 million for the maintenance of service personnel, depots, airfields, etc.

Although Malaya is a substantial contributor to the sterling area's dollar pool (last year Malaya's net earnings of dollars approached US$200 million), import restrictions apply to non-sterling and particularly dollar sources of supply. However, importers can obtain non-essentials not included on the "free" list by using the free foreign exchange market in Hong Kong. In 1951 some 30 per cent of total imports from Canada and 50 per cent from the United States were bought in this way. The proportion during 1952 fell to 10 and 37 per cent respectively, despite a more favourable free market value for the U.S. dollar. The main reasons for the declining interest in this method of importing is, first, a well-stocked market and second, few firms have any interest in trying new lines at a time when business conditions generally are slack.

Trade with Canada

Although Canadian trade via Hong Kong fell from M$9·9 million in 1951 to M$3·8 million in 1952, total Malayan imports from Canada showed no change. This is encouraging in view of the decline in overall imports, including those from the United States. A drop of about M$7 million in Malaya's imports of foodstuffs from Canada was compensated for by a rise of the same amount in imports of motor cars and trucks. But in 1953 no licences for direct imports of Canadian vehicles will be issued.

There was a very sharp decline in Malaya's exports to Canada from M$154 million to M$66 million—proportionately greater than the 37 per cent decline in the country's total exports. Rubber exports fell by M$66 million and tin exports by M$200 thousand. The decline was due partly to a drop in f.o.b. prices and partly to decreased volume of exports. The main reason for the falling off in volume of rubber sales to Canada was the greater use of synthetic rubber in the Dominion.

The business prophets who, at the beginning of 1952, predicted a poor year were over-pessimistic. Now, few are willing to commit themselves on the outlook for 1953. These are the factors which will influence business conditions in 1953:

- First and foremost, the price of rubber, which in turn depends on world political conditions, the price of synthetic and a possible international agreement.
- Business conditions in Indonesia, which is Malaya's biggest supplier and third most important customer.

Import controls, although an obstacle to trade with Canada, are not as serious a consideration in Malaya as they are in other sterling area countries because articles for which licences for direct import are refused can be purchased through Hong Kong. Apart from the present dullness of the local market, the greatest deterrent to expanding Canadian trade is a lack of interest in Canada as a source of supply. Exporters who have done business in Malaya and Singapore are advised to contact their agents for their views on the prospects for renewed trade. In some cases the Trade Commissioner in Singapore can assist by recommending new contacts if there is a chance of doing business.

—D. S. Armstrong
Canadian Government Trade Commissioner

British Borneo Territories

- *Lower rubber prices affect Sarawak exports.*
- *Brunei's oil output five million tons a year.*
- *Timber monopoly ended in North Borneo in '52.*

SINGAPORE—The British Borneo territories—Sarawak, Brunei and North Borneo—had a reasonably good year in 1952 but, like the rest of Southeast Asia, it was not up to the record of 1951. In general, imports remained at the same level but there was a fall in exports because of declining world prices for raw materials, particularly rubber. Development work and reconstruction of war damage proceeded at a satisfactory pace, but there is still a great deal to be done to put the colonies solidly on their feet. Future plans, such as extension of almost non-existent communications and harbour improvements, will be difficult to execute and finance out of ordinary revenues at present commodity price levels, because most of the revenue comes from export and import duties based on f.o.b. values.

With certain exceptions, most of the import and export trade of the British Borneo territories passes through Singapore. The exceptions are bulk cargoes such as oil, timber and rice, which are shipped direct. All the important trading companies in Borneo are branches of Singapore firms. Finally, import controls, although administered individually, follow very closely the policy and details practised in Singapore and Malaya.

SARAWAK

The Colony of Sarawak, famous for three generations of rule by the Brooke family, depends largely on rubber. No statistics are available for 1952 but it is safe to surmise that the value of rubber exports was well down from the M$158·9 million of 1951. The same is probably true of most other Sarawak produce, such as sago flour, jelutong, guttas, damar, copra and timber. Pepper production and exports, however, have increased year by year after complete devastation of the industry by the Japanese. As there has been no great drop in world pepper prices, the value of last year's exports from Sarawak must have equalled or exceeded the figure of M$18 million in 1951.

BRUNEI

The tiny Sultanate of Brunei, a British protectorate, is in a different position from the other two colonies. The country was, until Canada's recent oil development, the most important source of oil in the British Commonwealth. The oil industry, a Shell subsidiary, is in fact the sole basis for Brunei's tax-free prosperity and high rate of employment.

Other local industries such as lumbering supply the oil company and do not depend on exports. Again, statistics for 1952 are not available but oil production is said to be about five million tons a year. New drillings, both submarine and deep, in the jungle south of Seria were undertaken during 1952. About half the production of the Seria oilfield is refined in Miri in Sarawak; the rest is shipped abroad in crude form.

NORTH BORNEO

The foreign trade of North Borneo fell, in common with trade throughout Southeast Asia. Imports, at M$703 million, showed no change from the previous year but exports declined from M$113·7 million to M$64·7 million, thus creating an adverse balance of trade. The drop in world copra and rubber prices during 1952 was the main reason for low export values.

Government revenue, however, held up surprisingly well. Ordinary revenue exceeded ordinary expenditure by M$7 million, even though expenditure increased last year by nearly M$4 million to M$14·3 million. Since 1949 North Borneo has been able to spend out of taxation over M$29 million on reconstruction and development.

FORESTRY CONCESSIONS

The most important economic news of 1952 was the termination of the timber monopoly of the British Borneo Timber Co. This monopoly, dating back to 1920, gave the company complete rights to 95 per cent of the forests, exemption from import and export duties, the right to sublease areas, and jurisdiction over markets. In return the company paid the Government a royalty of three farthings per cubic foot and 10 per cent on net profits. Concessions have now been granted to eight companies, including United States and Philippine interests, who must produce a cutting and conservation plan for the approval of the Conservator of Forests before beginning any extensive operations.

—D. S. Armstrong
Canadian Government Trade Commissioner

COMMONWEALTH AND WORLD TRADE

The Commonwealth accounts for a substantial share of the world's trade. Since 1948 the proportion has varied between 33 to just under 30 per cent. Two Commonwealth countries, the United Kingdom and Canada, now rank among the four largest trading countries in the world. The U.K. is second only to the United States, and Canada comes next to France and ahead of Germany.

The Commonwealth countries are important suppliers of many raw materials such as non-ferrous metals, asbestos, rubber, jute, wool, tea, as well as many manufactured goods. At the same time, sterling Commonwealth countries are large markets for foodstuffs such as wheat, capital equipment, and some industrial raw materials such as Canadian softwood lumber and nickel.

Hong Kong

- *Colony is becoming adjusted to new trade climate.*
- *Trade with Asian countries (except China) growing.*
- *Canada's trade with Hong Kong goes down slightly.*

HONG KONG—Hong Kong's total trade in 1952 was valued at HK$6,678·5 million, down nearly 30 per cent from the peak figure of HK$9,303·3 million attained in 1951. Despite this almost appalling drop, the position at year's end was anything but disastrous. In fact, 1952 was not without a certain grim satisfaction, everything considered. The downward rush of imports and exports in the last half of 1951 had prepared the Colony for bad times but the net position reached in 1952 was better than expected.

The pace of business over the twelve months was fairly steady, with none of the violent fluctuations which characterized 1951 and the second half of the year showed a heartening improvement. Most important, 1952's record suggests that the Colony's entrepôt trade has at last become fully adjusted to the effects of strategic materials controls and other economic sanctions invoked against Communist China. And there were no trade reprisals by the Mainland.

Despite lower gross trade values primarily due to enforced decreases in commerce with its traditional chief trading partners—China, the United States, the United Kingdom, Malaya—Hong Kong made capital of adversity by sharply increasing its trade with other Asian countries in general, and with Japan, Indonesia, Thailand and Taiwan in particular.

Effect of Controls

Most of the drop in trade values between 1951 and 1952 can be attributed to three factors. First, there was the greater effect, during 1952, of the strategic materials controls impeding Hong Kong's trans-shipment trade with China. These controls antedated 1952, of course—the United States has been enforcing its export embargo against Communist China since December 1950, the UNO resolution withholding strategic materials from China became operative in May 1951, and Hong Kong's own similar controls were introduced in June 1951. Their joint impact, however, first became telling in the second half of 1951. But 1952 was the first full calendar year in which these controls operated both from abroad at the source of supply and from within the Colony itself. A comparison of Hong Kong's average monthly values of total trade over the two years emphasizes the point. For the six months January-June 1951 the average figure was HK$903·4 million; during July-December 1951, HK$647·2 million; for the twelve months of 1952, HK$556·5 million. An examination of the actual commodities traded over the period leaves no doubt that cessation of commerce in strategic materials wanted by the mainland accounts for much of the net trade loss.

Second, there was Hong Kong's peculiar sensitivity to those specific economic sanctions against Communist China applied by the United States, the only country with a complete trade embargo against the Mainland. Much of the United States former postwar trade with China was conducted via Hong Kong, making U.S. the Colony's second most important trading partner after China itself. But with the introduction of the American embargo against China all this trans-shipment activity ended and as a result, by 1952 the United States dropped to seventh place in Hong Kong's trade rankings.

Trade with U.S. Declines

The Colony's import figures reflect this decline. Average monthly imports from the United States decreased from HK$54·6 million in 1950 to HK$31·1 million in 1951 and to HK$18·4 million in 1952. But it was not only the import trade which suffered—Hong Kong's traditional exports of China produce and Chinese-type goods to America contracted as well. From March 1951, U.S. import regulations prohibited further entry of goods of Communist Chinese origin and this in itself was a blow to the Colony's entrepôt business. Then, from August 1951 the United States widened the prohibition to include all Hong Kong manufactures made from raw materials of Communist Chinese origin and proclaimed the working presumption that thenceforth all Hong Kong exports of Chinese-type goods would be considered of Communist Chinese origin and accordingly prohibited entry, unless the contrary could be proved. This last elaboration affected many of the remaining customary exports of the Colony to America and the cumulative effect was a serious reduction in Hong Kong's export trade by the end of 1952. Average monthly values of shipments to the United States, which in 1950 had been HK$25·7 million, declined to HK$13·5 million in 1951 and in 1952 to HK$9·6 million.

It was inevitable that injustices to Hong Kong itself should arise out of the U.S. action against Communist China and from the outset the Colony's Government put forth every effort to eliminate what could be regarded as unwarranted discrimination. Washington happily received these representations sympathetically and during 1952 the following very important adjustments were made:

- The resumption of supply of American raw materials, such as raw cotton and tinmill products, sorely needed by Hong Kong's industries, against guarantee of bona fide consumption within the Colony and satisfactory assurance that none of the finished products would go to China.

- Relaxation of United States export controls on non-strategic items so that American goods of this type might again move in transit through Hong Kong to approved trans-shipment markets, subject to safeguards preventing their diversion to China.

- Agreement upon a system of comprehensive certificates of origin for Hong Kong products whereby those that had no Chinese content might be clearly identified and thus become eligible for entry to the United States.

The third reason for the decreased trade in 1952 was the temporary halt in Communist Chinese buying and selling activity during the first half of the year. This was the time of the Wu Fan or "5-Antis" purge against corruption, pressed home by the authorities on the Mainland. In this campaign every single Mainland business enterprise, private or public, was forced into idleness sometimes for weeks on end, while its past record was subjected to the closest scrutiny.

Effect of Chinese Purge

The effect of this purge on business in Hong Kong can be traced in the trend of the Colony's average monthly trade figures vis-à-vis China only, over the 18 months July 1951 to December 1952—i.e., a period when all other trade controls were unchanged in intensity. For the six months July-December 1951 the average monthly value was HK\$137·4 million; during the lifetime of the purge, January-June 1952, HK\$86 million, and subsequently HK\$140 million.

The net gain from this full-scale resumption of buying and selling by Communist China almost in itself accounted for the improvement in Hong Kong's trade in the second half of 1952. The average monthly value of total trade from January to June was HK\$527·4 million, but from July to December HK\$585·7 million. It seems reasonable to conclude that the latter level should be the standard by which to gauge future trade prospects, other things being equal.

Incidentally, Hong Kong's trade with China in 1952 resulted in the Colony's first import surplus with the Mainland in many years. The development stemmed partly from the strategic materials controls withholding goods from China, partly from the working-out of certain current trade policies of China itself. The latter included the Mainland's own import restrictions imposed to support an internal austerity program, an increased stress on exports to acquire foreign exchange, the diversion of more of China's import needs to Soviet bloc sources, and an increased tendency for imports to bypass Hong Kong because of larger shipments direct to Chinese ports.

Trade with Asian Countries

A feature of the year was the marked improvement of Hong Kong's trade with the countries of Asia, exclusive of China, when taken as a whole. Curiously, all-Asia's proportionate share of the Colony's gross trade has remained constant from 1950 to 1952—67 per cent each year—but the relative importance of individual countries has changed considerably. Though Communist China remained Hong Kong's most important single trading partner, its share of the Colony's total trade has steadily receded from 28 per cent in 1950 to 27 per cent in 1951 and to 20 per cent in 1952. Over the same period, the share of Macao (which can usefully be coupled to China's) declined from 4 per cent to 2 per cent. This relative lessening of the Chinese sub-continent's importance was paralleled and offset by the increasing significance of Hong Kong's total trade with the rest of Asia—from 35 per cent in 1950 to 36 per cent in 1951, and in 1952 to 45 per cent.

Japan, Indonesia, Thailand and Taiwan, in particular, were the Asian countries with which Hong Kong notably increased its trade in 1952. The rises were partly due to the essential importance of the Colony's trans-shipment facilities in the moving of Japanese industrial products to Asian markets, and partly due to increased exports of Hong Kong's own manufactures direct to such markets. Though postwar Japan is most anxious to develop Asian export outlets for her goods, she has been hampered by exchange problems. Financially, she is in the hard currency area though her erstwhile markets in Asia are nearly all soft currency countries. However, in September 1951 the United Kingdom-Japan agreement was signed, whereby all trade between the British Empire and Japan was to be on a sterling payments basis thenceforth. This meant that Japan could make use of Hong Kong's entrepôt to reach Asian markets. In consequence, the Colony's imports from Japan increased so rapidly that in 1952 Japan became Hong Kong's second most important single trading partner and the Colony's chief sterling source of imports—most of which were trans-shipped, as designed. On the other hand, Hong Kong's own manufactures of low-cost items, also of peculiar interest to low-income markets, were becoming more and more attractive to outports in Asia. During 1952 their export value reached the postwar peak of HK\$486·2 million, or 16·8 per cent of the Colony's total export trade.

The increased trade from both trans-shipment of Japanese products and direct sale of Hong Kong products was specially marked with Indonesia, Thailand and Taiwan, which moved up to fourth, sixth and eighth places respectively in the Colony's trade ranking.

Trade with Canada

In this ranking, Canada's trade is virtually unplaced. Our total trade with Hong Kong in 1952 was HK\$97·9 million, down slightly from 1951's record figure of HK\$104·3 million. Actually our exports to Hong Kong were down by 10 per cent, at HK\$78·5 million, and, as usual, were made up of flour, lumber, motor vehicles, chemicals, pharmaceuticals, newsprint, and metals, with quantities restricted to the needs of the Colony. Our imports from Hong Kong were up by 20 per cent over 1951, to HK\$19·4 million—and consisted mostly of China produce and local manufactures. Prospects for enlarging our trade are influenced by our strategic materials control policy on the one hand, and by the availability or competitive pricing of China's offerings and the attractiveness of the Colony's manufactures on the other.

Hong Kong's immediate outlook is reasonably bright because the Colony does seem to have adjusted itself to the new trade climate. But Hong Kong is acutely conscious that this climate is beyond its control and to this extent the future is uncertain. Changes in the Korean situation, the attitude of the United States and the UNO toward the Chinese Communists, and vice versa, even the working out of China's new trade policies will all be significant for Hong Kong, whose traditional resourcefulness and adaptability may yet be tested further.

—T. R. G. Fletcher
Canadian Government Trade Commissioner

Australia

- *Import restrictions bring favourable trade balance.*
- *Bigger wool clip expected, with better prices.*
- *Industry becoming more efficient, production rises.*

SYDNEY—The year 1952 saw many changes in the Australian economy, partly because of anti-inflationary measures taken by the Government and partly because of the return to more normal conditions after the postwar and post-Korean boom. Early in the year, credit restrictions which had been imposed by the Government began to have their effect and investment funds became tight. The direct and anticipated result was reduced business activity, particularly in the production and sale of less essential goods and in trading activities on the stock market.

Construction of many large public works and building projects was curtailed and by mid-1952 there was gradually increasing unemployment for the first time in many years. This unemployment did not reach significant proportions by world standards, but Australia considered it serious and producers, traders and the public generally felt a loss of confidence. Because of the employment situation and also pressure from the trade unions, the Government's large-scale immigration program was cut drastically.

This decline in economic activity might have been expected to bring some decline in the cost of living. This did not happen, largely because of the Australian system of adjusting wages to a cost-of-living index quarterly. The cost of living, and therefore the basic wage, continued to increase each quarter, although the rate of increase declined considerably in the last quarter of 1952. The latest adjustment to the basic wage (which became effective the first pay period in February) varied from city to city but on the average there was no change, an indication that the cost of living had remained unaltered.

The Brighter Side

Despite these adverse conditions, the year was not without its better features. Many shortages which had almost become part of the Australian way of life were overcome and it was possible to abolish controls on various building materials and to eliminate a wide range of price controls. Consumer resistance to high prices and the more cautious attitude of the consuming public resulted in greater efficiency in many industries. By the year's end, the Australian economy seemed much more healthy than it had been for some time. Capital issues and credit controls were substantially eased and the restoration of public confidence was reflected in record December retail sales and in the more confident tone on the stock market. Prospects at the beginning of 1953 appear much more favourable, unemployment is falling, prices appear to be stabilized and general economic activity is reviving.

Australian agriculture during the first half of 1952 saw a drastic reduction in the wool cheque for the year 1951-52 and a severe fall in exports of meat and dairy products. At the end of the second half of the year, sales of wool were about £28½ million higher than in the corresponding period in 1951, with prices 5 to 10 per cent higher and a bigger wool clip estimated. Coupled with this is a much larger wheat crop than was expected, enabling Australia to increase its IWA wheat quota to 80 million bushels from 60 million bushels last year. Good crops of other grains are being harvested and prospects indicate a better-than-average yield of dried vine fruits.

Agricultural Production

Production of meat is higher and it is predicted that about 100 thousand tons more meat will be exported this season. Exports of frozen and canned meat are expected to earn about £45 million this season.

Milk production was higher during the five months July-November 1952 than for any similar postwar period. The value of butter exports for the five months July-November 1952 was £7,835,000, compared with £1,345,000 for the same period last year. Exports of dairy products during the 1952-53 season are expected to be substantially ahead of last year. Returns from the sale of eggs and egg products were higher in 1952 than in the previous year.

The 1952 sugar harvest is estimated at 920 thousand tons and the extension of the 1951 Commonwealth Sugar Agreement until 1960 has given the industry stability. A price increase of £3.16.8 per ton on the 1952 price has been granted for sugar exported within the quota from the 1953 harvest.

Industry More Efficient

The most encouraging feature of the year was the great increase in efficiency in Australian industry, brought about partly by management's attempts to keep down costs and partly by the workers' increased efforts coupled with a low incidence of strikes. Production of iron and steel, coke, coal, bricks, cement, tiles, most metal products and electricity increased substantially—and all these have been in extremely short supply of recent years. The clothing industry, which experienced a serious slump in 1952, is now more prosperous, thanks to £15 million worth of defence orders. Costs in this industry are, however, high, and without substantial protection it is doubtful whether activity can be maintained at anywhere near present levels.

The building industry was also affected adversely during the year but with a renewal of economic activity and better supplies of many materials, prospects for 1953 are much more favourable.

Development of Australia's uranium resources at Rum Jungle in the Northern Territory made progress and a loan of up to £10 million was arranged through the Combined Development Agency of the United States' Atomic Energy Commission. Work on this project has already begun and it is expected that a refinery will be producing early in 1954. Output will be shared among the U.K., the U.S. and Australia.

Heavy investment in Australian basic and secondary industries is expected during 1953 and expansion programs already begun or under

consideration include £80 million for petroleum refining; £25 million for chemicals, cement and fertilizers; £40 million for engineering industries; £50 million for ferrous and non-ferrous metals; £5 million for food processing; £5 million for textiles, and £10 million for paper.

Australia has seen a significant amount of industrialization in recent years and inevitably some uneconomic industries have grown up under the protection of import licensing and dollar shortages. The majority of Australian industries, however, are economic considered by any standards. So far there have been few exports of manufactured goods, but it is likely that the future will see increasing emphasis on exports of manufactured goods and a relative decline in agricultural exports.

Overseas Trade

After the almost disastrous trading experienced during the fiscal year 1951-52 (ending June 30, 1952) which resulted in an adverse trade balance of £A377,603,000, or over 50 per cent of total exports, the first seven months of the present fiscal year showed a remarkable improvement. The seven months ended January 31 recorded a favourable balance of £A178 million, compared with a deficit of £A264,900,000 for the same period last year. This improvement can be largely attributed to the drastic import restrictions imposed toward the end of the last fiscal year, the effect of which became evident early in the present fiscal year. Climatic conditions have also been more favourable this year and this helped to increase the volume of exports of wool, foodstuffs of animal origin, butter, lamb, tinned meats and minerals. Wool prices have stabilized to some extent.

Restrictions on imports from the soft currency area have already been modified to some extent and one-quarter of the restrictions imposed last March have now been lifted. It is possible, provided conditions permit, that there will be further relaxations during 1953.

Australia's adverse trade balance with the dollar area increased to £A19,856,000 for the first six months of the 1952-53 financial year from £8,053,000 for the same period last year, because of a substantial decline in exports to the dollar area and a small decline in imports. The decline in the value of exports came largely from a decreased volume of wool exported, though the increase in price partly counteracted this.

Trade with Canada

Canada's exports to Australia continue to be confined to essential goods which cannot be obtained from soft currency areas. With increased dollar difficulties in early 1952, Australia intensified its import restrictions against dollar goods. So far this has had no effect upon total Canadian exports, although exports of some individual products may have been reduced. In 1951 exports to Australia amounted to $49·1 million and this past year to $49·7 million. There has been a very considerable drop in imports from Australia—from $46 million in 1951 to $22 million (partially estimated) in 1952. Lower Canadian imports of wool at reduced prices account for much of this decline. Principal imports from Canada are automobile parts, lumber, newsprint, wood pulp, aluminum and asbestos. Principal exports to Canada are wool, dried fruits and canned fruits.

—C. M. Forsyth-Smith
Assistant Commercial Secretary for Canada

New Zealand

- *Business revived during '52, after slight recession.*
- *Production, exports of meat and dairy products up.*
- *Quality of wool lower because of wet season.*

WELLINGTON—New Zealand's economy is based solidly on agriculture and although, of recent years, secondary industries have received a great deal of encouragement, their influence does not extend outside the country. In 1952, of the £216 million earned from exports, all but £2 million came from shipments of agricultural products. During the year the price for wool showed a tendency to decline from the high prices of the previous year, but still remained firm when compared with the long-term average. Prices for meat and dairy products continued to increase and were accompanied by greater production and exports. World demand for these products tends to increase more rapidly than production, which suggests that the larger output planned for the near future should be readily absorbed by the world's markets.

Import Restrictions Necessary

New Zealand has not yet fully recovered from the effects of the war and has turned to severe import restrictions to maintain her international financial position. As an integral part of the sterling area, the country is determined to co-operate completely in the task of rehabilitation. Thus, although the balance of payments with the dollar area shows a small favourable balance, strict control is maintained over all imports paid for in dollars. Sterling imports are also controlled but the restrictions are fewer and exchange quotas greater. In practice, all applications for dollar imports are carefully scrutinized, first to discover whether the goods are available from the sterling area and second, to determine whether or not they are essential.

The secondary industries rapidly springing up under tariff protection are drawing heavily on agriculture for labour. Higher wages and the forty-hour industrial week appear more attractive than farm work and, as a result, agriculture suffers from labour shortage. Secondary industries, on the other hand, continue to develop and the demand for urban workers is increasing. Though New Zealand has no unemployment problem, labour is enjoying a seller's market and is inclined to take advantage of it.

Battling Inflation

Under such conditions—a buoyant export market for its agricultural production, constant competition in industry to attract labour, with the resulting larger payrolls—New Zealand began to boom shortly after the end of the war and inflation set in. Imports of consumer goods rose and local manufacturers, wholesalers and retailers began to build up their inventories. For many years import licensing had been used, but it was

From typical dairy herds like this one, New Zealand produced in 1952 a record quantity of dairy products, particularly butterfat. High rainfall kept pastures lush throughout the year.

relaxed to a great extent after the war. Now it was found necessary to re-impose it, with even greater restrictions, particularly on dollar imports and, to a lesser but appreciable extent, on sterling imports. In a further endeavour to curb inflation, credit restrictions were introduced early in 1952. In a country such as New Zealand where marked industrial expansion is taking place and mechanized and scientific farming is supplanting older methods, easy financing is needed and most operations were being financed largely by bank overdrafts.

Slight Recession During Year

Labour shortage and the forty-hour week meant that, if production were to meet demand, overtime labour in industry was essential and take-home pay was thus greater. With inventories full and credit restrictions looming, the movement of stocks began to slow down output and there was less overtime padding of payrolls. The outlook for 1952 was not too bright and a slight recession occurred, which was not nearly as serious as some had feared. Retail sales in many lines decreased and retailers reported that the buying public was becoming more discriminating and value-conscious. Towards the end of the year business revived and seems to be levelling off at a point slightly below 1951.

The Government has been criticized for the anti-inflationary methods it employed. Some persons feel that increased interest rates would have been a sounder approach and something may be done in this direction. The result may be to attract more private investment. Bankers' demand deposits with the Reserve Bank increased from £69 million in 1951 to £89 million by the end of January 1953; deposits in private banks remained steady. Note circulation was, on the whole, less than in 1951.

The year 1952 saw an exceptionally high rainfall distributed over the twelve months and practically no dry periods. As a result, the pasture lands continued lush throughout the year. This made it possible to produce a record quantity of dairy products; butterfat reached an all-time record. Beef production also increased and at the end of the year the sheep population was at an all-time high. Shearing got under way somewhat late in the year because of the prolonged rainy spell in December, but excellent stocks of wool reached the auctions. Prices, though they were below the peak of two years ago, maintained a firm to strong position throughout the sales, though qualities deteriorated slightly because of the wet season.

Wool Receipts Lower

New Zealand's balance of international payments for 1952 showed an overall deficit of over £23 million, compared with favourable balances of over £14 and £16 million in 1951 and 1950. Much of this was due to a falling-off in the receipts from wool sales; other export commodities maintained a satisfactory position. The wool situation should not be taken as a deterioration of the export market, because the previous two years were extraordinary and prices for wool approached the fantastic. The 1952 prices were well in line with, and sometimes superior to, the long-term average. Imports of merchandise for private account fell off slightly, but government imports increased from £19 to £30 million.

The late shearing partly accounts for the poor showing of wool exports. Although business calculations are usually based on the calendar year, south of the Equator the calendar year and the trading year do not coincide as they do in the Northern Hemisphere. Thus a better picture of conditions is obtained from the year June to June rather than January to January.

Trade Prospects

New Zealand's trade with Canada, as with that of the rest of the dollar area, has suffered in proportion to the amount of dollars available for import payments. Exports to New Zealand declined from \$21·8 million in 1951 to \$18·8 million in 1952. Prospects for an overall increase in Canadian trade in the near future are not good, but there may be expansion in some lines, particularly equipment for heavy industry and machinery. It is not possible to say whether these goods will be paid for by curtailing imports from other parts of the dollar area or by a mere shift in the incidence of purchases from Canada. Increased exports to North America would naturally be highly beneficial and local authorities are keeping an eye open to such opportunities.

Canadian imports from New Zealand declined considerably—from \$30·1 million in 1951 to \$14·3 million in 1952. Lower wool imports account for much of this.

—L. S. Glass

Commercial Secretary for Canada

Trinidad

- *Oil industry made progress; future uncertain.*
- *World Open General Licence system curtailed.*
- *Purchases largely directed to sterling area.*

PORT-OF-SPAIN—The main economic developments in Trinidad during 1952 included:

- A further switching of purchases from the dollar to the sterling area as the colony attempted to live within a strict dollar budget.

- The dropping of a number of commodities from the World Open General Licence list as a means of controlling dollar imports.

- The pricing of some Canadian goods out of the market because of the premium on the Canadian dollar.

The British West Indies Trade Liberalization Plan operated during the year, allowing many Canadian exporters to keep a sales foothold in the colony.

The Island's economy is dangerously dependent on the export of refined petroleum and, to a lesser extent, on sugar and cocoa. During the year the oil industry made good progress but some feel that, unless there are new oil discoveries, production may decline within the foreseeable future. The need for supplying a fast-growing population led to a steady rise in the cost of living, in spite of a system of price controls and subsidies on key commodities. Modest progress was made in attracting pioneer industries to broaden the economic base of the colony.

The Trade Record

Imports increased substantially in value during the year, reaching BWI$244 million*; exports did not keep pace, but reached a value of BWI$230 million. Suppliers, in order of importance, were the sterling area, the United Kingdom, Venezuela (chiefly crude oil), and North America. Destinations of exports were the sterling area, the United Kingdom, Brazil and North America.

Principal exports were petroleum products (BWI$168 million), sugar (BWI$20 million), and cocoa (BWI$8 million). Principal imports were crude petroleum (BWI$71 million), foodstuffs (BWI$43 million) and iron and steel goods (BWI$17 million).

Trading with Canada

Import controls continued to restrict Canada's trade with Trinidad severely. Moreover, the appreciation of the Canadian dollar made many commodities listed under the Trade Liberalization Plan considerably more expensive than goods from other sources. The World Open General

* BWI $=approx. 58 cents Canadian.

—U.K. Information Office

One of Trinidad's important institutions is the Imperial College of Tropical Agriculture, which carries on research in diseases that attack cocoa trees, bananas, and other important tropical crops. Above, an assistant in the banana research section.

Licence system, introduced in October 1951, was drastically curtailed in February 1952, but the Trinidad Government fully honoured its undertaking to buy dried salted fish from any source. The result was substantial purchases from Canada.

During 1952, the colony's main purchases from Canada were:

Flour of wheat	Can.$4,118,293
Fish of all kinds	1,070,920
Milk of all kinds	946,869
Tobacco, bright flue cured	830,738

The last three items show significant increases over the figures for the twelve months January to December 1951.

The Outlook

Political and economic conditions remain stable and a growing measure of well-being and prosperity is evident throughout the island. As in other colonies, there is a trend towards the lifting of price controls and subsidies which may mean the ending of government bulk purchasing. As long as import restrictions remain, there can be no substantial improvement in Canada's trade with Trinidad. At the moment, purchases are being directed to the sterling area whenever possible. The release of dollars for purchases in Canada is governed by the dollar policy of the sterling area as a whole and any change in this policy comes from London rather than Port-of-Spain.

—Roger R. Parlour
Acting Canadian Government Trade Commissioner

Barbados —*outlook for '53 is uncertain, with sugar crop lower.*

PORT-OF-SPAIN—For the island of Barbados 1952 was not a good year. The rising cost of living and the continuing acute hard currency shortage brought import controls and again handicapped normal trade. Business was dull throughout the year and improved little even at the Christmas season.

The balance-of-trade position became more favourable. For the nine months ended September 30th, value of imports exceeded value of exports by some BWI $2 million compared with an adverse balance of more than BWI $6 million for the corresponding period of 1951. The sugar crop was fair at 167 thousand tons, but the fancy molasses trade—one of the colony's principal dollar earners—suffered a severe blow. Sales in 1952 were barely half those for 1951 and 1953 prospects remain uncertain.

One encouraging feature was the increased income from the tourist traffic, which is estimated to have brought nearly US$1¼ million and Canadian $300 thousand to the island during the year. Prospects for 1953 are bright, with TCA operating an additional weekly flight until the end of April.

Imports from Canada, valued at Canadian $3·9 million for 1952, were Canadian $0·7 million less than last year. Flour, lumber and wood products, meat and fish were the main items.

The outlook for 1953 is uncertain. The sugar crop may be as much as 40 thousand tons less than in 1952 and the increased price which the U.K. Government is paying may barely offset higher production costs.

—ROGER R. PARLOUR
Acting Canadian Government Trade Commissioner

British Guiana —*sugar, rice and bauxite production up.*

PORT-OF-SPAIN—The year 1952 was a prosperous one for British Guiana. Despite the continuing shortage of hard currency and import controls, business was fairly brisk. Both imports and exports increased substantially and for the first eleven months were approximately balanced at BWI $75 million.

The sugar crop of 243 thousand tons was a record and production of bauxite and rice greatly exceeded 1951 levels. The result was a substantial increase in revenue and currency circulation. On the other hand, withdrawal of the *Lady* boat service, the mounting cost of government administration, and the very high rate of companies' tax (45 per cent) caused concern in business circles. Living costs rose steadily throughout the year.

Canada's purchases of bauxite ore accounted for nearly half of British Guiana's total exports during 1952 and total purchases by Canada last year were about Canadian $24 million. Canada's exports to British Guiana in 1952 were only BWI $11·4 million (Canadian $6 million) com-

pared with BWI $30·6 million from the United Kingdom, BWI $13·4 million from other Commonwealth countries, and BWI $12 million from the United States. The principal exports from Canada to this market were flour and machinery. Other commodities included paper, canned and salted fish, split peas, pickled pork, and cotton piece goods.

Prospects for 1953 appear good. The higher price being paid for sugar by the British Ministry of Food will benefit the colony's economy. Work will begin on the Balvasirie Extension project which will bring a further 23 thousand acres under rice cultivation within the next five years. The Colonial Development Corporation is making a grant of BWI $5½ million to assist in financing this project. A mission from the International Bank for Reconstruction and Development will also visit the colony to study development possibilities.

—ROGER R. PARLOUR
Acting Canadian Government Trade Commissioner

Windward and Leeward Islands

PORT-OF-SPAIN—Generally speaking, 1952 was not a good year for the Windward and Leeward Islands. Their economy is almost entirely agricultural and efforts to attract industry have met with little success. Because productivity is low, the islands are hard put to feed their growing populations, hold down the cost of living, and maintain their exports. Many essential foods must be imported. Adverse trade balances and reliance on Colonial Development and Welfare grants have been the rule. As in most of the West Indies colonies, the market for Canadian goods has contracted to the bare essentials and, except for shipments under the BWI Trade Liberalization Plan, there is no prospect for increased sales until the U.K. Government allocates more dollars to each colony.

Antigua had a record sugar crop of 35 thousand tons, labour relations were good, and the tourist trade expanded. Dominica's exports rose by 50 per cent over the 1951 figure, mainly because of increased production of bananas and limes.

In St. Vincent, the principal crops—arrowroot and cotton—provide only seasonal employment for the fast-growing labour force. However, a second sugar factory will probably be built and new orchard crops are to be grown in the colony.

St. Lucia will need a record grant-in-aid of BWI $750 thousand to balance its budget this year. Some people feel that the livestock and banana industries, and the cane and cocoa farmers, should receive greater encouragement. Grenada is taking steps to cultivate the land more intensively and encourage the tourist trade. A loan of BWI $1½ million was raised on the London market to finance development projects.

Canada's exports to the Islands for 1952 were valued at Canadian $4·3 million, slightly more than in 1951. Flour, fish, lumber and wood products, salted meats and cotton goods were the main commodities. Canada's purchases from the Islands in 1952 totalled Canadian $220 thousand, compared with Canadian $900 thousand for 1951.

—ROGER R. PARLOUR
Acting Canadian Government Trade Commissioner

Jamaica

- *Good sugar cane crop improves business conditions.*
- *Tourist trade expected to surpass previous years.*
- *Three major companies are now producing bauxite.*

KINGSTON—Reaping the sugar cane, Jamaica's largest industry, is now under way and the optimistic forecast of 303,200 tons, about 35 thousand tons more than in 1952, has provided greater employment and brought a general improvement in business, especially in food and cheap textiles.

This favourable situation is enhanced by the tourist trade, now at its peak, with hotels completely booked. The estimated total of £ 4½ million spent in the Island by some 104,786 tourists during 1952 (12 per cent more than in 1951) may be surpassed this year. The inauguration of a direct passenger steamship service between Miami and Kingston, serviced by the S.S. *North Star* accommodating 300 passengers, should help materially to make this a record tourist season. Moreover, a proposal to establish a duty-free area in Kingston where transit passengers and tourists may make purchases free of tariff charges is being considered.

The Cayman Islands are rapidly completing an airstrip and three new small hotels in the hope of obtaining a greater share of the tourist trade.

The Financial Picture

Strict credit controls are still imposed by the authorities on importers, wholesalers and retailers. Local collections are slow but foreign bills are being paid promptly.

The Finance Board maintains a month-to-month statement of Jamaica's dollar account from transactions reported by the banks. For 1952 the net deficit was $4,942,126, compared with $8,940,572 in 1951. The 1952 figure shows a deficit of Can.$6,905,269 and a surplus of U.S.$1,963,-143 giving the above net figure. The Canadian figure, however, does *not* take into consideration sales of sugar to Canada via the Ministry of Food, for which Jamaica receives payment in sterling. These sales amounted to £ 2,323,398—only about half a million dollars short of wiping off the deficit.

Some 6,000 tons of free market sugar were shipped to Canada in February. This was the first direct dollar shipment following the opening of the market last November.

The surplus with the United States is derived from such items as returns from Jamaican farm workers, dollar salaries from the bauxite industry, tourists (including many Canadians carrying U.S. exchange), and from weekly visits by U.S. warships from the Guantanamo base in Cuba and from Norfolk, Virginia.

Trade with Canada

Because of the sterling difficulties, Canadian exports to Jamaica have been limited to those commodities coming under the BWI Trade Liberalization Plan, and those considered highly essential and which are not

available from a soft currency source. Canadian exports under the BWI Trade Liberalization Plan amounted to less than 20 per cent of the total Canadian exports of $10,590,661 during 1952 ($10,214,424 in 1951). The principal items were wheat flour, $2,470,598; tobacco, $718,102; dried salted cod, $1,642,622; pickled mackerel, $415,766; sardines, $290,183; feeding stuffs, $135,433; newsprint, $221,640; and medicinal preparations, $105,594.

Canadian imports from Jamaica amounted to $18 million in 1951 and to $9·2 million in 1952. Smaller sugar imports, at lower prices, accounted for much of this decline.

The Agricultural Picture

Sugar—Sugar exports during 1953 may reach 233 thousand tons, of which 43 thousand tons will be sold outside the terms of the Commonwealth Sugar Agreement. The Sugar Agreement price is £42 6s. 8d. per ton.

Bananas—The production of eight million stems achieved before the 1951 hurricane will be reached again this year. Effective March 1, 1952, bulk purchasing ended and twelve-year pacts were entered into with two shipping companies for the transport and marketing of Jamaican bananas in Britain on a commission basis.

Citrus Fruits—Good weather and rains are responsible for the early and abundant citrus crop which will be almost 50 per cent greater than the previous one. Approximately 520 thousand boxes of oranges and 250 thousand boxes of grapefruit have been either processed or shipped and there is an additional 10 per cent for local consumption.

Coconuts—Because of the 1951 hurricane, the Island now must import coconuts. Not until 1960 will it be able to reach its former production of 10,000 tons of copra a year.

Tomatoes—The Government is making an effort to revive the tomato industry. The processing organization has been authorized to enter into firm contracts for five million pounds of tomatoes. The Government is assisting in the eradication of disease.

Milk—Fresh milk intake at the condensary during 1952 was 12 million quarts, an increase of 16 per cent over 1951. At present there is a slight surplus production of sweetened condensed milk. The plant expects to be producing evaporated milk by April.

Livestock—During 1952, Indian-type cattle exports were valued at £50 thousand. The principal markets were Venezuela, the Dominican Republic and Panama.

Industrial Development

As a result of the Pioneer Industries (Encouragement) Law of 1949, some 30 industries have been declared Pioneer Industries. Of these, 15 are in operation and two have set their production dates for the near future. The industries include wirebound boxes and wooden spoons; cocoa processing; carbon dioxide gas; hand-blocked fabrics; wet-cell batteries; assembly of radio sets, fluorescent lamps and electrical transformers; metal containers; pre- and post-stressed concrete products; ice cream cones,

jelly crystals, dessert and pudding powders and mixes; pineapple canning (scheduled for May 1953); bypocrete (building material); cellulosic building boards (scheduled for August 1953).

The outstanding recent development is the production of bauxite by three major companies, including plant construction, transportation facilities and loading piers. The bauxite deposits, in terms of aluminum ingots, are estimated at 320 million tons.

—M. B. Palmer
Canadian Government Trade Commissioner

British Honduras

KINGSTON—British Honduras, with a population of approximately 70 thousand, has traditionally lived largely on its trade in forest products and its chief exports still are mahogany, cedar and pine lumber. The bulk of its exports go to the United States, and the remainder largely to the United Kingdom. The pine lumber is chiefly exported to the West Indian Islands, principally Jamaica.

As a result of this dependence on forest resources, agriculture has received comparatively little attention and the colony therefore relies upon imported foodstuffs. One of the obstacles to be overcome is the lack of sufficient and skilled agricultural labour and the Department of Agriculture is concentrating on an intensive education program. To build up a more balanced economy, an extensive road-building project is being undertaken to open up new areas for agricultural development, with special emphasis on citrus fruits, bananas and stock-raising.

General prosperity prevails and during the past year the Colony acquired a large measure of financial independence and ceased to need grants in aid. Money circulated freely over Christmas and trade was good. Over-stocking, however, continued to cause anxiety but collections were being met fairly satisfactorily.

According to British Honduras statistics, Canada was in third position as a supplying country in 1951. The United Kingdom is the principal source of supply but, because of its closeness and competitiveness, United States runs a close second. Total imports into the Colony were over $12 million in 1951 ($8·7 million in 1950). British Honduras dollar imports are severely restricted and the colony participates in the Trade Liberalization Plan.

The chief products which Canada normally obtains from this colony include chicle, mahogany and canned grapefruit juice. Canada's imports from British Honduras for 1952 totalled $26,472. (Total for 1951, $458,141.) The falling-off in trade during 1952 was due to smaller purchases of mahogany and no chicle buying.

Canada's exports to British Honduras totalled $282,940 in 1952 ($572,166 in 1951). The principal items were flour of wheat ($121,112); pickled pork ($27,809); cotton textiles ($46,449).

—M. B. Palmer
Canadian Government Trade Commissioner

Bahamas—*the tourist trade is all-important.*

KINGSTON—The economy of the Bahamas is based on its tourist trade, and thus the Island buys perhaps more dollar goods than other BWI colonies to meet the demands of its many visitors. The United States obtains the lion's share of this extra dollar business because supplies are easily obtained from the nearby port of Miami, which has frequent sailings at low rates.

The Bahamas Government Development has made the colony a year-round vacation land. Tourist figures compiled by the Immigration Department in Nassau give a total of 84,718 visitors for 1952, compared with 68,502 in 1951.

Foreign Trade

The Island's population of about 80 thousand depends for its needs almost entirely on imports. The general trade policy is the same as that of Jamaica—dollar imports are permitted only if they cannot be obtained from a sterling or soft currency source. The one exception (as in Jamaica) is products coming in under the BWI Trade Liberalization Plan. The latest trade statistics are for 1951 and show imports valued at £7,650,419, compared with £6,150,200 in 1950.

Canada's exports to the Bahamas last year totalled $2,352,792, compared with $2,136,087 in 1951. The leading commodities were flour of wheat, $563,982; condensed and evaporated milk, $368,621; table potatoes (except seed), $87,316; whisky, $87,776; fresh pork, $33,254; canned ham, $20,734; and cooked meats, $114,139.

Canadian imports from the Bahamas during the first eleven months of 1952 totalled $371,908, compared with $262,074 in 1951. They included tomatoes, $148,940, and salt for fisheries, $140,657. Tomato shipments from the Bahamas have been far below those of previous years because the early crop was seriously damaged by a tropical storm in late October.

Other countries exporting to the Colony include Australia, which sends canned and frozen meats, condensed milk and butter, and the United States, which supplies principally electrical apparatus, medicines, and drugs, cotton piece goods, wearing apparel, corn products, and fresh and preserved fruit and vegetables.

Business Conditions

Sales of all lines during December 1952, stimulated by the Christmas trade, were brisk and the merchants reported satisfactory gains over the same period in 1951. In anticipation of the winter season's heavy trade, inventories have been built up and stocks of merchandise are ample. Shops specializing in woollen goods are overstocked but merchants hope that sales during the next few months will correct this situation.

The building trades are busy with demands for new construction, alterations and renovations, and this, plus the staff needs of hotels for the winter tourist season, completely absorbs all surplus labour.

—M. B. Palmer
Canadian Government Trade Commissioner

Canada's Trade Treaty Relations with Commonwealth Countries

CANADA EXCHANGES preferential tariff treatment with many Commonwealth countries and colonies. During the 1930's these preferences were of considerable assistance to Canadian exports. In the post-war period, import controls against dollar goods have been introduced throughout the Commonwealth and these have greatly reduced the benefits of the tariff preferences. Even under present conditions, preferences continue to assist some of our exports—for example, where licences are still being issued and where Canadian goods have to compete with those of other hard currency suppliers.

All British dominions and nearly all colonies are parties to the General Agreement on Tariffs and Trade. British preferential tariffs have been considerably modified in the multilateral negotiations which have taken place under GATT.

The following paragraphs summarize the treaty relations between Canada and the principal Commonwealth countries and colonies. Further information may be obtained from the International Trade Relations Branch.

• *United Kingdom*

Canada has exchanged tarriff preferences with the United Kingdom for many years. The trade agreement at present in force was signed in 1937, and it extends to the colonies. Canada has a separate trade agreement with the British West Indies, Bermuda, British Guiana and British Honduras. The United Kingdom-Canada agreement was subsequently modified by exchanges of letters between Canada and the United Kingdom in 1938 and in 1947. These provided that, under specified circumstances, the benefits of the preferences could be reduced by either country. Canada lost or received smaller preferences on some items, but a substantial number of them remain subject to the British preferential tariff.

• *Australia*

The agreement was brought into force in 1931. On most items Canada was granted the British preferential rates but without guarantee of the maintenance of the margins of preference or the levels of the preferential rates. Some items were left under the general tariff. Certain modifications are provided for in two schedules annexed to the treaty. In 1934, Canadian goods which had been entitled to the intermediate tariff were made dutiable at special rates lower than intermediate.

• *New Zealand*

The trade agreement was brought into force in 1932. Canada extended rates lower than British preferential on articles of special interest to New Zealand and otherwise extended the British preferential tariff. New Zealand granted the British preferential tariff to Canada, except for a few products. On a very few specified products, where the general and British preferential rates were the same, New Zealand created a differential between them to grant Canada a preference.

• *South Africa*

A trade agreement concluded between Canada and South Africa in 1932 provided for the extension of reciprocal preferential tariffs which had been in effect since 1903. In 1935 unconditional most-favoured-nation treatment was exchanged.

• *British West Indies*

Extensive tariff preferences are exchanged by virtue of a trade agreement between Canada and the British West Indies, Bermuda, British Guiana and British Honduras, which came into effect in 1927. The list of goods on which Canada was offered preferences was extended in 1932 under the terms of the United Kingdom-Canada Trade Agreement. Further modifications to the agreement were made in 1937, 1938 and 1947.

• *India*

There is no trade agreement between Canada and India other than the General Agreement on Tariffs and Trade, whereby each country accords to the other most-favoured-nation treatment. Canada has accorded to India British preferential tariff treatment since its introduction in July 1898.

• *Pakistan*

Canada grants Pakistan the benefits of her British preferential tariff, which had been extended previously to India before the partition of India and Pakistan in August 1947. Pakistan grants most-favoured-nation treatment to Canada.

• *Ceylon*

Canada has accorded British preferential tariff treatment to Ceylon since 1898. In January 1933 Ceylon introduced a preferential tariff which applied to imports from Canada.

—R. B. Nickson
International Trade Relations Branch

For more information on: write:

THE COMMONWEALTH	A. B. Brodie, Area Trade Officer for the Commonwealth, Department of Trade and Commerce, Ottawa.
UNITED KINGDOM (South of England, East Anglia, Scotland) British West Africa	R. P. Bower, Commercial Counsellor, Office of the High Commissioner for Canada, Canada House, Trafalgar Square, London, S.W. 1.
UNITED KINGDOM (Midlands, North England, Wales)	M. J. Vechsler, Canadian Government Trade Commissioner, Martins Bank Building, Water Street, Liverpool.
NORTHERN IRELAND	T. G. Major, Canadian Government Trade Commissioner, 36 Victoria Square, Belfast.
AUSTRALIA (Capital Territory, New South Wales, Queensland, Northern Territory, Dependencies)	C. M. Croft, Commercial Counsellor for Canada, P.O. Box 3952 G.P.O., Sydney.
AUSTRALIA (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada and Agricultural Secretary, 83 William Street, Melbourne.
NEW ZEALAND	L. S. Glass, Commercial Secretary, Office of the High Commissioner for Canada, P.O. Box 1660, Wellington.
HONG KONG	T. R. G. Fletcher, Canadian Government Trade Commissioner, P.O. Box 126, Hong Kong.

For more information on: write:

For more information on:	write:
MALAYA, British Borneo Territories	D. S. Armstrong, Canadian Government Trade Commissioner, P.O. Box 845, Singapore.
INDIA	Richard Grew, Commercial Counsellor, Office of the High Commissioner for Canada, P.O. Box 11, New Delhi.
INDIA	B. I. Rankin, Commercial Secretary for Canada, P.O. Box 886, Bombay.
PAKISTAN	A. P. Bissonnet, Commercial Secretary, Office of the High Commissioner for Canada, P.O. Box 3703, Karachi.
CEYLON	Paul Sykes, Canadian Government Trade Commissioner, P.O. Box 1006, Colombo.
UNION OF SOUTH AFRICA (Natal, Transvaal), British East Africa, Northern Rhodesia, Nyasaland, Southern Rhodesia	C. B. Birkett, Canadian Government Trade Commissioner, P.O. Box 715, Johannesburg.
UNION OF SOUTH AFRICA (Cape Province, Orange Free State)	K. F. Noble, Canadian Government Trade Commissioner, P.O. Box 683, Cape Town.
JAMAICA, Bahamas, British Honduras	M. B. Palmer, Canadian Government Trade Commissioner, P.O. Box 225, Kingston.
TRINIDAD, Barbados, British Guiana, Windward and Leeward Islands	P. V. McLane, Canadian Government Trade Commissioner, P.O. Box 125, Port of Spain.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalents multiply by 1·01555.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. March 19*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1312	
		Basic buying	·1969	(1)
		Preferential selling	·1969	
		Basic selling	·1312	
		Free	·0709	
Austria	Schilling		·04609	
Australia	Pound		2·2180	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01968	
Bolivia	Boliviano	Official	·01641	tax 5% (1)
		Differential	·00980	tax 3% (2)
British West Indies	Dollar		·5776	(3)
	Pound		2·7725	(4)
	Dollar	Brit. Honduras	·6931	
Brazil	Cruzeiro	Official	·05322	tax 8% (2)
		Free	·02252	
Burma	Kyat		·2079	
Ceylon	Rupee		·2079	
Chile	Peso	Official	·03171	(1)
		Commercial	·01640	
		Free	·00895	
Colombia	Peso	Basic	·3939	tax 3% (2)
		Coffee buying	·4262	
Costa Rica	Colon	Official	·1758	(5)
		Free	·1471	*Feb. 16
Cuba	Peso		·9847	tax 2%
Czechoslovakia	Koruna		·01969	
Denmark	Krone		·1426	
Dominican Republic	Peso		·9847	
Ecuador	Sucre	Official	·06565	(4)
		Free	·05698	
Egypt	Pound		2·8276	
Fiji	Pound		2·4977	
Finland	Markka		·00428	
France	Franc		·00282	
French Africa	Franc		·00563	
French Pacific	Franc		·01549	
Germany	D Mark		·2344	
Greece	Drachma		·000066	
Guatemala	Quetzal		·9847	
Haiti	Gourde		·1969	
Honduras	Lempira		·4923	
Hong Kong	Dollar	Free	·1635	*March 6
Iceland	Krona	Official	·06046	
		Special buying	·04649	
		Special selling	·03777	
India	Rupee		·2079	
Indonesia	Rupiah	Basic	·08638	(7)
		Dollar certificate	·00204	*Feb. 16

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. March 19	Notes (See below)
Iran	Rial	Certificate I	·01137	*March 4
		Certificate II	·01131	*March 4
Iraq	Dinar		2·7725	
Ireland	Pound		2·7725	
Israel	Pound	Basic	2·7571	
		Special	1·3786	
		Investment	·9847	
Italy	Lira		·00158	
Japan	Yen		·00273	
Lebanon	Pound	Free	·2707	*
Mexico	Peso		·1138	
Netherlands	Guilder		·2591	
Netherlands Antilles	Guilder		·5221	
New Zealand	Pound		2·7725	
Nicaragua	Cordoba	Effective buying	·1492	(8)
		Official Selling	·1396	
		With Surcharge I	·1223	
		With Surcharge II	·09797	
Norway	Krone		·1379	
Pakistan	Rupee		·2976	
Panama	Balboa		·9847	
Paraguay	Guarani	Basic	·06565	(1)
		With Surcharge I	·04688	(9)
		With Surcharge II	·03282	
Peru	Sol	Certificate	·06220	
Philippines	Peso		·4923	tax 17% (2)
Portugal	Escudo		·03432	
El Salvador	Colon		·3939	
Singapore & Malaya	Straits dollar		·3235	
South Africa (Union of)	Pound		2·7725	
Spain & Dependencies	Peseta	Basic buying	·04496	
		Basic selling	·08776	(1)
		Basic commercial selling	·05995	
		Free	·02499	
Sweden	Krona		·1903	
Switzerland	Franc		·2296	
Syria	Pound	Free	·2628	*Feb. 16
Thailand	Baht	Official	·07877	(1)
		Free	·05709	*Jan. 30
Turkey	Lira		·3517	
United Kingdom	Pound		2·7725	
United States	Dollar		·9847	
Uruguay	Peso	Official	·6482	
		Basic buying	·5532	
		Special buying	·4190	(1)
		Basic selling	·5182	
		Special selling	·4019	
Venezuela	Bolivar		·2939	(10)
Yugoslavia	Dinar		·00328	

* Latest available quotation date.

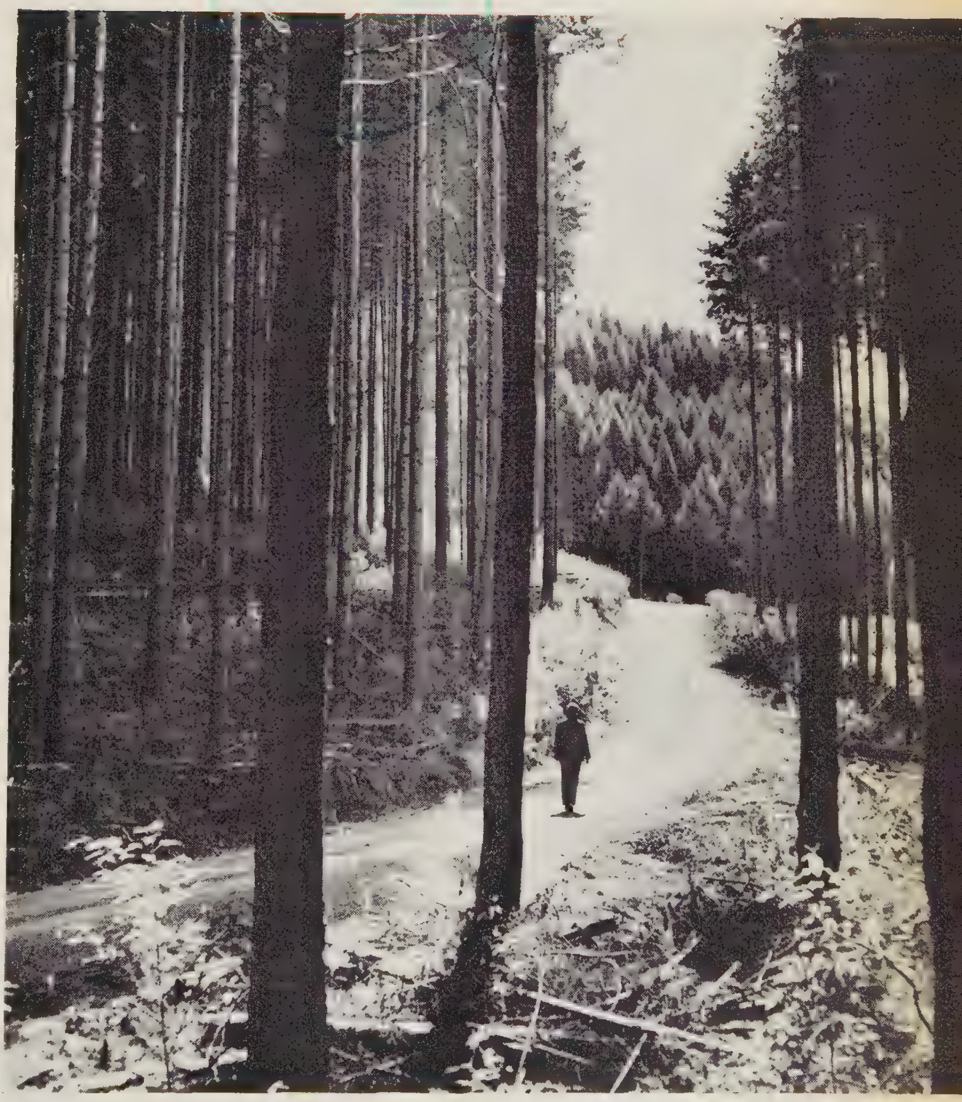
NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective rate for all Indonesian dollar exports is basic rate plus 70 per cent of dollar certificate rate. Exchange rate for other than essential imports is basic rate plus 33⅓ per cent, 100 per cent or 200 per cent, depending on the import category of the product. Cost of dollar imports is increased by full amount of dollar certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to all Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

foreign trade

APRIL 4, 1953



New Zealand's Timber Industry (page 2)

foreign trade

VOL. 13 OTTAWA, APRIL 4, 1953 NO. 327

)VER . . . This man-made ›st constitutes one section he 900 thousand acres of tic timber in New Zealand. t of these stands were ıted late in the 19th cen- ; now are yielding about million FBM of timber a r. (See story on page 2.)

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

New Zealand's Timber Industry

With rapid development of her exotic forests, New Zealand may soon be meeting her own softwood demands and even exporting. But traditional softwood lumber purchases from Canada will probably continue.

WELLINGTON—A National Forest Survey made recently in New Zealand revealed that the country's resources of indigenous softwoods amount to only 5,600 MFBM instead of the 40 thousand MFBM of the 1923 survey. At the present rate of cutting these softwoods will be exhausted in twenty years. To prevent this, it will be necessary to curtail drastically the production of indigenous timber and to substitute exotic softwoods. New Zealand has about 900 thousand acres of exotics, largely planted towards the end of the 19th century and several of these species grow faster here than in their native habitat. About 450 thousand acres of these are administered by the State.

In 1938 the annual cut of exotic softwoods was 42 MFBM and the cut of indigenous softwoods 265 MFBM. For the year ended March 31, 1952, 233 MFBM of exotics were cut, compared with 302 MFBM of indigenous softwoods. It is estimated that regeneration and new planting will allow potential annual production of exotics to be expanded to 800 MFBM. There seems little possibility of the New Zealand market absorbing more than 500 MFBM a year of all species for the next year or two and production will have to be adjusted to demand.

Types of Wood Imported

New Zealand has to import mainly durable hardwoods and softwoods in large structural sizes and joinery timber. The hardwoods are supplied mainly by Australia and the softwoods by North America.

Imports during 1951 amounted to nearly 31 MFBM; of this Canada supplied approximately 13 MFBM and the United States 3 MFBM. Australia sent just over 14 MFBM of hardwoods, of which about one-third was sawn and the remainder railway sleepers, logs and poles. Small quantities of timber were brought in from South America, Africa, Europe, the Pacific Islands and the Baltic area. Japan supplied a good quantity of oak. North America and Australia are likely to continue to be the main source of New Zealand imports.

Exports Depend on Quality

Exports of New Zealand timber during 1951 amounted to 21 MFBM, almost 7 MFBM greater than in 1950, despite the total cessation of shipping for five months because of a waterfront strike. (In 1949, exports were $24\frac{1}{2}$ MFBM.) The five-month break in export shipments meant that, after years of effort, the trade in exotic softwoods with Australia was just

becoming established when supplies were discontinued. New Zealand supplies were replaced from other sources and stocks piled up. Because of credit restrictions imposed by Australia and the large stocks on hand, the New Zealand export trade received a severe setback.

The New Zealand Forest Service 1952 annual report states that, "for some years at least insignis pine sawmillers will face a buyer's market where competition will be keen both in Australia and New Zealand, and the maintenance of high standards of production, grading, and seasoning, will be prerequisite conditions to profitable and continued operation".

The prospect for trading in timber with South Africa is being explored and small trial shipments have already gone forward.

A fundamental requirement in the building up of New Zealand export trade in timber will be the strict application of grading rules to ensure that only timber of good quality is passed for export. The New Zealand exotic timber industry was developed under conditions of scarcity and a seller's market, and little attention was paid to quality.

With the return of a buyer's market, the weaknesses in the industry became apparent and will have to be corrected before progress can be made. The export of timber is controlled and a permit from the Customs Department is required before it may be shipped.

Price Trends

Prices for locally produced timber are controlled and are approximately half the import price. However, even under price control, abuses creep in and free market prices are frequently obtained, especially for indigenous timbers.

The expansion of the exotic softwoods industry has reached the stage where all home demands can be met with a surplus for export. Pinus insignis is the principal exotic species grown in New Zealand, but the production of timbers such as Douglas fir, European larch and Corsican pine is increasing. The three latter will become increasingly important as sawn timber and will, in time, help to make good the deficiencies resulting from the dwindling stocks of good quality indigenous timber.

Price Controls

The present policy of price control means that home-grown timber will be low in price compared with imported and more of the home-grown product will be used, even though the quality may not always be comparable.

Funds will probably be forthcoming to cover all essential imports for urgent commercial construction and major government works, including the housing program. However, applications for import licences will certainly be scrutinized carefully to make sure that the imports are essential. The trade in New Zealand is now surveying the situation with the object of concluding negotiations with government authorities for the issue of import licences for 1953.

Much goodwill exists between Canadian and New Zealand lumber interests and New Zealand will assuredly buy from Canada to the limit of the funds available.

72808—1½

It appears that funds will be made available for the purchase of those kinds of timber which traditionally come from North America and Australia and which cannot be supplied from domestic sources. Although import licences are required, there is little difficulty in obtaining them for essential needs.

The Outlook

Present price control policy often forces the more valuable indigenous softwoods to be sold as cheaply as the less valuable exotics. It is thus defeating the principal end of national forest policy, the perpetuation of a small but nevertheless important supply of indigenous softwoods for special requirements. Not until the price of indigenous timber is allowed to rise will economics favour rather than retard the contraction of indigenous timber production.

Removing price control would mean that the price of indigenous timber would rise. The price of exotics, however, would tend to be so much lower that wood users would buy them in preference—even after taking into account the extra cost of treating them with preservatives to secure as good or better service as that which the indigenous provides. So far, the Government has not seen fit to change its price control policy, even though this policy affects forest administration adversely.

Management Policy

The policy governing the management of state forests is:

- To protect, conserve and, if possible, perpetuate the remaining indigenous forests of the Dominion;

- To create an exotic forest estate large enough and diverse enough to supply the timber and other forest produce needed if the forest industries are to meet the needs of New Zealand and provide an exportable surplus.

In the exotic forests, the aim is to have each district or geographical region self-supporting in the main lines of forest produce and to this end a comprehensive survey of timber requirements by districts is in progress.

Production of plywoods, pulp and pulp products and newsprint manufacture are being developed and should take care of most domestic requirements in time.

—Roy W. Blake
Commercial Secretary (Agriculture) for Canada

See also "New Zealand's Logging Program" in "Foreign Trade" of January 31, and report on the lumber market in New Zealand in February 7 issue—Editor.

France

Business Slump in '53?

PARIS—Towards the end of each half-year, the French Bureau of Statistics makes a survey of "business expectations". The results of the December 1952 survey, which asked for business prophecies for the first six months of 1953, have now been published. Chief among the findings were:

• *Industrial Production*—A decline of 3 per cent over the same period of 1952 is expected. This would mean an average index of production of 145 for the period (base 100 in 1938), or about 2 per cent lower than in the last three months of 1952.

• *Employment*—An increase in unemployment of about 150 thousand workers is expected. On February 1, 1953, workers receiving unemployment benefits totalled 69 thousand. The number actually without work was estimated at 200 thousand, about 3 per cent of the French labour force.

• *Exports*—A fall of about 8 per cent in French exports is feared. The hardest hit industries were those producing wood products, foodstuffs, china and glassware. The picture shaped up this way:

Primary products	slight increase
Metalworking industries	steady
Chemical industry	slight increase
Building materials (ceramics)	steady
Public works	steady
Foodstuffs industries	steady
Leather	slight increase
Wood	slight increase
Paper	steady

• *Wholesale Prices*—A decline of 3 per cent is probable, about one-half of the expected decline quoted at the time of the last survey. The wholesale price index actually fell by only 1·4 per cent during the last half of 1952.

• *Investment in Plant*—Although only 9 per cent of the firms questioned did not plan to extend their manufacturing facilities, the value of investments predicted was lower than that actually made in 1952. Difficulties in obtaining credit or loans to finance expansion were cited as the principal problem during 1953.

—J. H. Stone

Assistant Commercial Secretary for Canada

United States

Nuclear Research and Industry

The application of atomic power to industrial uses is being pushed forward. Here is an account of what the U.S. is doing—and a glimpse of progress in other countries.

WASHINGTON—The average reader is prone to imagine that the development of nuclear theory and practice in the United States is the tightly guarded purview of the Atomic Energy Commission and a few of its selected agents in industry and that, outside this impenetrable group, little has been divulged.

Since 1945 there have been two chief bars to public knowledge of details of nuclear progress and its application to non-military purposes.

- First there are the policy problems in security and the guaranteeing of atomic weapon needs, implying conservation of plutonium output for the military.

- Second, the McMahon Act, making atomic energy a government monopoly, and the Holding Companies and Anti-Trust Acts, which bar combinations of industrial organizations large enough to undertake these great tasks, have added to the difficulties of AEC's nominating firms to the atomic field.

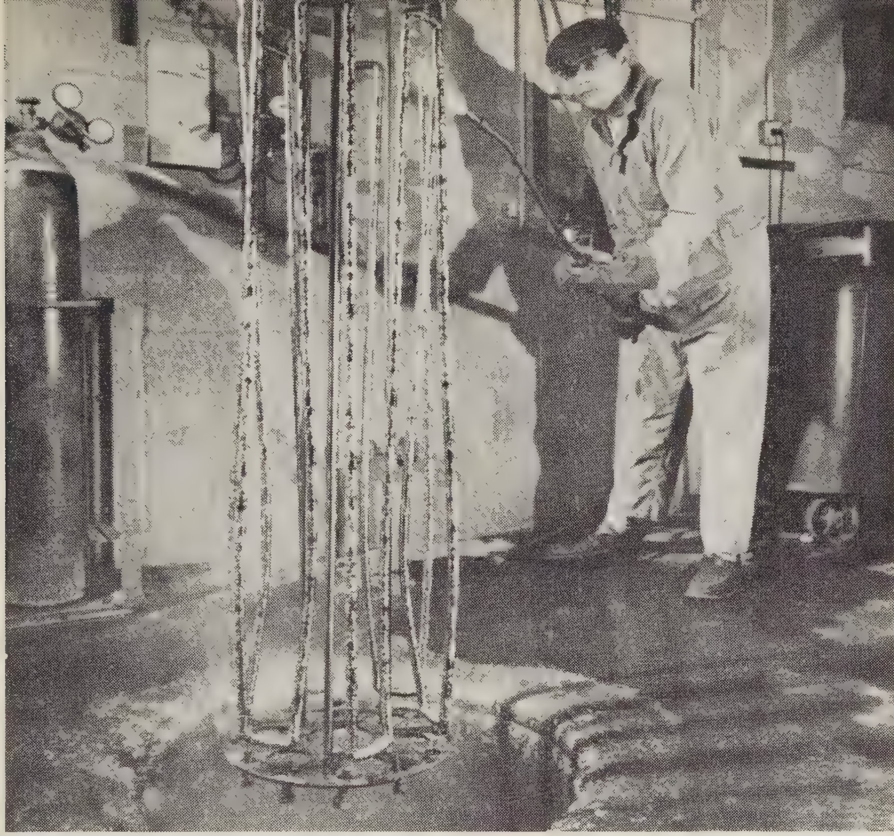
- A third obstacle has been the immense cost of nuclear power compared with hydro-power and the more economic fuels—coal, oil and gas. The apparent remoteness of atomic power for commercial use has tended to make some of these policy questions seem somewhat academic and long-range.

Enlisting Industry's Aid

Operating problems—the availability of atomic fuels, accessibility of AEC classified research and data, health and safety in nuclear power plants, the problem of nuclear patents held by AEC, economic location of projected plants and the orderly marketing of the resultant energy—have also combined to cause delay.

The Korean War and knowledge of Soviet nuclear progress, however, have made the U.S. military atomic energy program still more urgent. In addition, the obvious risk of too-exclusive security on AEC's part now compels the enlisting of a growing number of U.S. industries to broaden research and hasten the development of applied nuclear physics and chemistry.

Accordingly last fall some of the veils were removed from the Experimental Breeding Reactor (EBR) at Idaho Falls, Idaho. This represented the first announcement of progress in the ultimate development from the



—Westinghouse Photo

Long "hairpins" of zirconium bar being cleaned by the steam process at the Westinghouse Atomic Power Division plant. Slightly lighter than steel, highly resistant to corrosion and heat, this glistening metal plays a key role in the construction of nuclear reactors.

single purpose, plutonium-producing atomic piles to a dual-purpose reactor producing not only plutonium but also electrical energy for industry.

Breeding Reactor

The Experimental Breeding Reactor, called EBR for short, although it was built primarily for the demonstration and study of breeding, is also producing electricity through conversion of its heat energy. But what does the term breeding mean? All the atoms of uranium, as they occur in nature, are not capable of undergoing the fission process to an appreciable extent. Only the isotope U-235 does this and this isotope is contained in uranium only in the proportion of one part in 140. The other isotope, however, U-238, can be bombarded with neutrons and transmuted to the element plutonium. Plutonium is a fissionable material and can be used as a fuel. This is the process which occurs in the Hanford production reactors. Recent advances in reactor technology seem to show that it is actually possible to produce more fuel than is burned and, at the same time, obtain useful energy. This process of producing more fuel than is burned is known as "breeding".

If the reader can visualize a conventional steampower plant that not only burns coal to ashes but also creates fuel in the process and, moreover, creates more fuel than it burns, he will realize the importance of the Experimental Breeding Reactor.

Current studies on the EBR are determining how much fuel can be produced in excess of the quantity burned. The technical information gained will be useful in the design of future reactors aimed at generating electricity at a competitive cost.

The EBR observes no new principle in electric power generation—pile heat is converted to electric energy through the usual steam turbine-generator process. The significance of EBR is that it has gone far towards a power reactor much nearer to competitive classification with fossil fuel steampower plants. EBR, in fact, was first used to supply electric power as far back as December 1951.

Research Carried Forward

That this breeder reactor is more than a laboratory curiosity and that the era of nuclear power for industry is now at hand is evidenced by the intense research and design work on commercial breeder reactors currently going forward. This research is being done by the AEC and the following five groups of large U.S. engineering and chemical corporations and public utilities: Commonwealth Edison and Public Service of Northern Illinois; Monsanto Chemical and Union Electric; Pacific Gas and Electric and Bechetel; Detroit-Edison and Dow Chemical, and a group of eleven electric and gas utilities, together with Nuclear Development Associates and Babcock & Wilcox.

In November 1952, one group announced that much of its preliminary design work might be completed within twelve months.

Over 5,000 U.S. engineering firms, contractors and laboratories have contributed to the application of AEC-developed theory in the building and operation of the giant U.S. atomic energy program.

Since December 1949, the AEC has made available for licensing, on a non-exclusive, royalty-free basis, over 500 patents issued to it. More than seventy firms have been granted licences to these patents. On those which appear to have a current utility and industrial demand, actual design and production is probably considerably advanced.

Among the many methods, devices, and new applications patented are:

- monitor and control systems
- torsion balances
- safety pipettes and materials handling apparatus
- neutron meters and density indicators
- calibrating instruments
- timing units and indicators and regulators
- magnetic stopcocks and pumps
- seals and valves and nozzles
- circuit protectors, rectifiers and switches
- radiation detectors and counters
- magnetic, thermal, and nuclear measurement devices
- pressure measurement devices
- thickness and corrosion and ionization gauges
- ion vacuum gauges
- bearing test apparatus
- latch mechanisms
- sampling apparatus and containers
- linear accelerators
- fluorophotometers
- mass spectrometers
- filters, leak detectors and gas analyzers
- pulse transformers, generators and amplifiers
- electrostatic generators
- pocket chamber electrometers
- vessel tightness measuring apparatus
- collimating shields
- proportional counters

The recent announcement of successful electric power output from a pilot model of an homogenous reactor at Oak Ridge has spurred interest in the use of atomic energy plants in areas of high fuel costs. The Oak

Ridge pilot reactor was brought to its full design power of 1,000 kilowatts of heat output and then produced 150 kilowatts of electricity, enough to meet the needs of fifty average five-room dwellings. The Government of Puerto Rico, facing anticipated power shortages in its development program, has asked for establishment of one or more atomic pilot plants in the island.

The United States is not the sole market for nuclear methods, devices, instruments and materials. Most leading countries have nuclear research programs, some relatively far advanced. The following list of countries with projects under way will illustrate the potential market in the next ten years for nucleonic supplies:

Progress in Europe

- *The European Council for Nuclear Research*—comprising Belgium, Denmark, France, Germany, Italy, The Netherlands, Norway, Sweden, Switzerland and Yugoslavia—has three projects for erection near Geneva: 1. a large nuclear physics laboratory; 2. a 30-Bev cosmotron and 3. a 600-Mev synchrocyclotron. There is a movement for the joint building of a nuclear reactor as well.
- *Switzerland*—A heavy-water research reactor leading to nuclear power development is projected, to be built jointly by the three leading Swiss mechanical and electrical engineering companies.
- *Belgium*—a small graphite-uranium research reactor to be built in 1953, with plans for a larger power reactor in five or six years' time. Augmenting Belgium's position as the leading producer of uranium ore is the important nuclear and cosmic ray work carried on at the universities of Louvain, Liege, Brussels and Ghent.
- *France* is embarked on the first five-year phase of a 15-year effort to develop nuclear power for industry. Funds for the first phase, amounting to the equivalent of $108 million, were voted last year to construct two new primary reactors for plutonium production. The chronic power shortage in France will spur development in the second and third phases of pilot and commercial nuclear-power plants. France already has two experimental reactors, ZOE near Paris, and P-2 at Sarclay.
- *Germany*—although uranium was discovered by a German in 1789 and two Germans discovered fission in 1939, the Allied ban on atomic energy work in Germany is still in effect. On ratification of the contractual agreement and the EDC treaty, German nuclear work will be able to assume definite direction.
- *United Kingdom*—Harwell has the two graphite-uranium reactors, GLEEP and BEPO, and is building a low-power breeder reactor and designing a high-power breeder reactor. There are two comparatively large plutonium-producing reactors at Sellafield and a U-235 separation plant at Capenhurst. Of the $1·5 billion allotted to the Ministry of Supply since 1945, (which covers all weapon research, including nuclear research) it is variously estimated that perhaps one-quarter has gone to atomic energy.
- *Italy*—Such applied nuclear physics as reactor technology and isotope separation seem to have received less attention than fundamental research, partly for lack of funds and postwar recovery problems. Italy has, however, among other achievements in the nuclear field, pilot plants

for heavy-water production, uranium extraction and production of metallic uranium and plans for a low-power uranium and heavy-water reactor at Milan.

• *Norway and The Netherlands*—The Norwegian-Dutch Atomic Energy Board operates the Joint Establishment for Nuclear Energy Research at Kjeller, Norway, which has a 300-KW heavy-water reactor brought in during 1951.

• *Sweden*—Sweden's first reactor, a heavy water-uranium research type, is to be ready by the end of 1953 or early in 1954. Meantime, considerable work has been done on the extraction of uranium from shale and the use of isotopes in industrial applications as well as in medicine and biology.

Canada's Record

The first nuclear reactor to operate outside the United States is the experimental low-power ZEEP reactor of the Chalk River, Ontario, project of Atomic Energy of Canada Limited. This reactor came into operation in 1945. Canada's second reactor, NRX, came into operation two years later. It is believed to be the most powerful natural uranium-heavy water reactor in the world. The high density of neutrons in this reactor has made it possible for Canada to make some radioactive isotopes with a higher specific activity (that is, giving off a greater amount of radiation per gram of material) than can be produced elsewhere. For that reason, Canadian-produced radioactive isotopes such as cobalt-60 (used in radiography and in the cobalt-60 beam therapy unit) have been in great demand in many countries. Canada is now building a third reactor, known as NRU, which will be even more powerful than NRX. Dr. C. J. Mackenzie, president of A.E.C.L., recently told a Parliamentary Committee that this reactor would cost more than the original estimate of $30 million. Canada's reactors all use heavy water as a moderator.

Other Countries

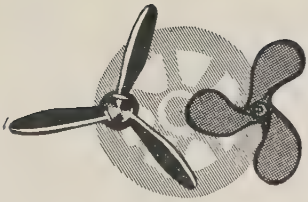
• *Mexico, Brazil, and Argentina*—Though they still have no reactors, these countries have extensive plans for training and development of techniques and materials leading to the eventual construction of power reactors, the utility of which in their economies is emphasized. Brazil and India are said to have useful reserves of thorium, also a breeder-reactor fuel.

• *India*—India's Atomic Energy Commission, organized in 1948, has plans for a research reactor, although funds for extended work are lacking at the moment.

• *Australia*—Australian scientists expect that Australia's first nuclear-power reactor will be built in South Australia before 1957.

With twelve reactors in operation (each with its large ancillary complex of separation-plants, research and testing laboratories, isotope production facilities and growing backgrounds of medical, biological and industrial applications) and with nine or more reactors in design or proposed for this decade, in addition to the vast U.S. effort, the new markets to which commercial and industrial application of nuclear research will give birth challenge the imagination.

—G. A. Browne
Commercial Secretary for Canada



TRANSPORTATION NOTES

BRAZIL

Air Freight—Merchandise freighted into Brazil by air since 1949 represented 0·01 per cent of the volume and 2 per cent of the value of this country's annual imports. In 1952, the average cost of air freight per kilo was Cr.$661, compared with Cr.$559 in 1951, Cr.$456 in 1950 and Cr.$645 in 1949—Rio de Janeiro, March 10.

CANADA

New Shipping Service to Canada—Montreal-St. Lawrence Gulf-Newfoundland ports will have a new shipping service with the opening of the 1953 navigation season, provided by Montship Line Limited. General cargo will be carried on the route. Intermediate St. Lawrence River and St. Lawrence Gulf ports will be served as occasion and cargo demand. Goose Bay, Labrador, will be included as a port of call during the navigation season. The new service will be maintained by vessels capable of $10\frac{1}{2}$ to 11-knots speed, and ranging from 2,000 to 2,800 tons capacity. Montreal Shipping Company Limited is the general agent.

CHILE

S.S. Service to Canada—A new venture in West Coast shipping was begun by the Compania Chilena de Navegacion Interoceanica on February 25th, when their vessel, the S.S. *Almagro,* left Valparaiso with Vancouver as the final port of call.

The company plans a monthly service with four freighters. This means a continuous service by its own ships from Rio de Janeiro, Buenos Aires, Punta Arenas, Valparaiso and ports of Peru, Ecuador, Central America, the United States and Canada. All vessels will carry general cargo. Dodwell & Company have been appointed the Vancouver agent—Santiago, March 2.

COLOMBIA

Paris to Bogota—Air France inaugurated its first commercial flight from Paris to Bogota in January, with stops in Caracas and Martinique. This service initially provides one flight every two weeks between the Colombian and French capitals. Air France is the first foreign carrier to operate out of Bogota—Bogota, March 4.

ITALY

Passenger Fleet Increased—Italy's largest liner, the *Andrea Doria*, recently completed her maiden voyage to New York and is now on a winter cruise in the West Indies. This largest of Italian postwar ships was, to a great extent, prefabricated, is turbine driven, has a gross tonnage of 30 thousand tons, an overall length of 212·50 metres, and accommodation for 1,241 passengers and a crew of 580. Her rated speed is 25·3 knots, enabling a voyage from Naples to New York in seven days. A twin to the *Andrea Doria*, the *Colombo*, is already under construction in the Ansaldo shipbuilding yards in Genoa and will be on the same run in about two years—Rome, March 16.

NEW ZEALAND

Record Tonnage Handled—During 1952 the port of Auckland handled a total of 3·4 million tons, an all-time record and 125 thousand tons more than was handled in the previous record year of 1944, at the peak of the flow of American war material—Wellington, March 9.

NORWAY

Great Lakes Service—The Fjell Line shipowners, who pioneered direct sailings between Scandinavia and the Great Lakes, are expanding their fleet in preparation for the time when the St. Lawrence Seaway will permit larger ocean-going ships to enter the Lakes. Two new vessels of 7,300 tons deadweight are already in service and a third of similar tonnage is to come on berth in June. Three more liners of 8,500 tons deadweight have been contracted for and will be delivered in 1954-56—Oslo, March 19.

PAKISTAN

New Airline—Pakistan International Airline (state-owned and operated) expects to begin operations early in 1954 when it receives three Super-Constellations, now on order. Flights will go from Karachi to London via two routes—Tehran-Beirut-Istanbul-Rome-London; and Karachi-Cairo-Rome-Paris or Frankfurt-London.

In Pakistan the airline will operate a non-stop flight from Dacca to Karachi, a very important development. Previously no Pakistani aircraft has been able to make a Dacca-Karachi flight non-stop—Karachi, March 6.

WEST GERMANY

Canadian East Coast-Western Europe—A new cargo service between Rotterdam and Antwerp to Saint John, N.B., and eventually Halifax, has been inaugurated by K. I. A. Poseidon, of Hamburg, Germany. The first departure was from Antwerp on or about March 6th, with subsequent sailings every three weeks. The vessels to be operated on the run are: m.s. *Poseidon,* 5,936 gross tons; m.s. *Irmingard,* 2,465 gross tons; m.s. *Rhein,* 3,169 gross tons; m.s. *Ruhr,* 3,168 gross tons. All these vessels will carry general cargo. March Shipping Agency Limited will be the Canadian agent.

The West German Chemical Industry

This article, the first of two, discusses the post-war recovery of the industry and the present position of the great I. G. Farben organization.

BONN—The demand for basic chemicals resulting from defence programs and increased industrial activity has greatly affected the recovery of the West German chemical industry. Stimulated by this demand, the German chemical production index (volume) (based on the 1936 monthly average=100) showed a peak of 161 in November 1951 and 162, 167 and 174 for September, October and November of 1952.* In fact the industry, despite the loss of machinery, equipment, patents and scientific laboratories, was in a position to achieve the production levels of 1936 even before February 1950, when the production index** first reached 102. It had the production facilities, and sales difficulties were mainly responsible for the relatively inactive position of the industry before that time. The rapid increase in production is the direct result of large foreign orders for chemical products and of domestic demand stemming from foreign orders placed with other West German basic industries.

Place of Chemical Industry

Table I gives some indication of the contribution of the chemical industry to the economic recovery of the country. The index for the production of capital goods is higher than for chemical production. However, it must be remembered in judging these figures that the weight given to the chemical production figures is quite high and that therefore the industry has contributed substantially to the overall index. The chemical industry, when measured against other West German industries, comes third in output and fourth in number of employees.

West German Index of Industrial Production

(volume per working day)

1936=100

	1948	1949	1950	1951	1952		
		Monthly Averages			Sept.*	Oct.*	Nov.*
Mining	81	96	107	119	126	128	136
Processing Industries	58	86	112	135	151	158	168
(a) Basic materials and producer goods industries thereof:	57	84	108	127	139	142	144
Chemical industries**	70	96	126	151	162	157	174
(b) Capital goods industries	51	83	115	152	178	176	190
(c) Consumer goods industries	54	86	113	132	147	160	169
Power	112	136	155	182	202	210	218
Building	....	88	110	129	164	157	153
Overall Index	63	90	114	136	153	158	167

* Preliminary figures.

** Excluding artificial fibres.

Source: Monthly report of the Bank Deutscher Laender, December 1952.

The role of chemical exports in the German trade revival should not be minimized. This recovery is to a large extent basically dependent upon Germany's ability to re-enter prewar markets and gain new postwar ones for her industrial products. Only by exporting can Germany obtain foreign exchange to purchase basic raw materials and food—excluding, of course, loans and other financial assistance from foreign governments and international agencies. Of the total value of West German exports in 1950, chemical exports constituted 12·9 per cent and in 1951, 14·5 per cent. These figures do not, however, sufficiently reflect the importance of the industry in the German export picture. Opinion is that those areas where German chemicals are able to obtain a foothold will, in all likelihood, continue to be good markets for these products if the present general foreign demand declines. The foreign demand for chemical products is considered much less elastic than that for consumer goods or luxury articles. At the same time, the chemical industry—which has been working at capacity except in certain specialized fields and where there are shortages of basic raw materials—has had a good response from foreign purchasers. Exporters believe that these foreign markets can absorb still larger quantities of German chemicals.

Problems of Recovery

Recovery has had its problems, not the least of which has been a lack of capital for reconstruction and, in some cases, the unfortunate investment of available capital. Some of the early investments in the pharmaceutical industry, for example, were based on the division of the country into American, British, French and Soviet zones. When the Western zones were combined, these expenditures proved abortive. The currency devaluation of September 1949 also influenced unfavourably those sections of the industry mainly dependent upon raw materials from hard currency areas and which sell their end products elsewhere.

As a result of the division of the country and the dismantling of many plants in the Soviet zone, shortages of basic materials became very apparent in the second half of 1950. The previous highly centralized control over the industry had caused factories to become highly integrated and interdependent. The resultant structural changes, though they were not felt during the period of relatively low production, showed up when those plants in the Western zones producing basic materials could no longer expand production to meet the increased requirements of secondary producers. About the same time, coal shortages curtailed power deliveries.

In some fields the industry was, because of Allied controls, unable to produce many basic chemicals considered to have a large wartime potential. Most of these restrictions have been relaxed and such products as chlorine, styrol, synthetic ammonia, synthetic rubber and others are now being turned out in quantity.

I. G. Farben—Its Position

The re-organization of the I. G. Farben combine by the Tripartite I. G. Farben Control Group is a major step in the final rehabilitation of the industry. No examination of the German chemical picture would be complete without an outline of the position of this organization when war broke out in 1939 and without reference to the fact that the successor companies still dominate the chemical industry.

It is estimated that, at the outbreak of the war, I. G. Farben controlled perhaps 85 per cent of the German chemical industry, and in its predominant position could exercise effective control over the whole of it. Its interests covered not only chemical production in the widest sense, including explosives, plastics of all kinds, and synthetic oil, but also extended to a considerable degree into mining. It had established commercial arrangements with the principal chemical firms of Italy, France, Norway, the United Kingdom and the United States. By an intensive development of export markets, particularly in the pharmaceutical field, it secured for Germany influence over an estimated 70 per cent of the world's export trade in chemicals. Germany proper was the world's largest exporter of chemicals before the war.

The principal products of I. G. Farben were the following:

- Coal-tar dyes
- Nitrogen fertilizers
- Inorganic and organic chemicals
- Organic intermediate products
- Solvents
- Synthetic rubber
- Plastics ,including adhesives and synthetic paint
- Rubber chemicals
- Tanning materials and synthetic tanning materials
- Mineral pigments
- Light metals
- Industrial gases
- Synthetic jewels
- Synthetic liquid fuel
- Pharmaceutical products
- Plant production media
- Sera and vaccines
- Photographic materials (particularly films, paper and plates)
- Viscose rayon and staple fibre
- Acetate rayon and staple fibre
- Celluloid
- Vulcanized fibre
- Explosives of all kinds.

Administration

The administration of the combine was organized into groups according to the types of products manufactured and marketed. The head offices of the entire I. G. Farben organization were in Frankfurt and the headquarters of the dyestuffs, general chemicals, Buna rubber, plastics, and metal groups were in the same city. The pharmaceutical group, including synthetic pharmaceuticals, sera, vaccines, etc., had headquarters at Leverkusen and looked after the production and marketing of all products under the "Bayer" trademark. Nitrogen fertilizers and nitrogen compounds of technical application were handled by the Stickstoff Syndicate GmbH from Berlin. All photographic products were controlled from another Berlin office established under the name of I. G. Farben-industrie A.G.

The various types of synthetic fibres were handled by the Kunstseide Verkaufasbuero GmbH of Berlin, the Kupferkunstseide-Syndikat GmbH, Wuppertal-Oberbarmen, and the Cuprama-Spinnfaser GmbH, with administrative offices in Berlin in the same buildings as the photographic business. Synthetic oil and lubricants were controlled by the Deutsche Gasolin A.G., with offices in Berlin. The explosives group was administered from Troisdorf in the name of Dynamit A. G.

At the outbreak of the war the I. G. Farben organization gave direct employment to about 218 thousand workers, of whom approximately 19 thousand were employed in the various mining enterprises which it had acquired from time to time. In addition, a very large but undetermined number of persons were employed by subsidiary firms.

On May 23, 1952, the Official Gazette of the Allied High Commission announced that the twelve I. G. Farben companies in Western Germany would be re-organized, with due provision made for further re-organization if necessary. The new grouping is:

NEW COMPANIES AND SUBSIDIARIES ESTABLISHED	FORMER ENTERPRISES
1. Agfa Camerawerk A. G., Muenchen	Agfa Camerawerk, Muenchen
2. Badische Anilin- und Sodafabrik A. G. Ludwigshafen am Rhein	Badische Anilin- und Sodafabrik Ludwigshafen am Rhein Steedener Kalkwerke, Steeden
Subsidiaries:	
(a) Gewerkschaft des konsolidierten Steinkohlenbergwerkes, Breitenbach	Gewerkschaft des konsolidierten Steinkohlenbergwerkes, Breitenbach
(b) Steedener Kalkwerke, GmbH, Dehrn	Steedener Kalkwerke GmbH, Dehrn Casella Farbwerke, Mainkur
3. Casella Farbwerke A. G., Mainkur	Chemische Werke Huels GmbH. Marl
4. Chemische Werke A. G., Marl	
Subsidiary:	
Westgas GmbH, Marl	Westgas GmbH, Marl
5. Farbenfabriken Bayer A. G., Leverkusen	Farbenfabriken Bayer, Leverkusen Elberfeld, Uerdinger, Dormagen
Subsidiaries:	
(a) Agfa A. G. fuer Photofabrikation, Leverkusen	Agfa Papier- und Filmfabrik, Leverkusen
(b) Fluss- und Schwerspatwerke Pforzheim Doeppenschmidt & Co., GmbH.	Fluss- und Schwerspatwerke, Pforzheim Doepenschmidt & Co., GmbH.
(c) Flusspatwerke GmbH, Frankfurt	Flusspatwerke GmbH., Frankfurt
(d) Drugofa GmbH, Koeln	Drugofa GmbH, Koeln
6. Farbwerke Hoechst A. G., vormals Meister Lucius & Bruening Frankfurt-Hoechst	Farbwerke Hoechst, vormals Meister Lucius & Bruening Frankfurt-Hoechst Chemische Fabrik, Griesheim Lech-Chemie Gersthofen Naphtol-Chemie Offenbach
Subsidiaries:	
(a) Behringwerke A. G., Marburg	Behringwerke Marburg
(b) Knapsack-Griesheim A. G. fuer Stickstoffduenger und Autogentechnik, Knapsack bei Koeln	A. G. fuer Stickstoffduenger Knapsack bei Koeln Griesheim-Autogen, Griesheim Tegawerk Kassel Nordwestdeutsche Sauerstoffwerke Duesseldorf Suedwestdeutsche Sauerstoffwerke, Stuttgart
(c) Ingenieru-Buero Friedrich Uhde GmbH, Dortmund	Ingenierubuero Friedrich Uhde K. G. Dortmund
(d) Gebrueder Wandesleben GmbH, Stromberg	Gebrueder Wandesleben GmbH, Stromberg

NEW COMPANIES AND SUBSIDIARIES ESTABLISHED—*Conc.*	FORMER ENTERPRISES—*Conc.*
7. Titangesellschaft mbH, Leverkusen	Titangesellschaft mbH, Leverkusen
8. Duisburger Kupferhuette A. G., Duisburg	Duisburger Kupferhuette, Duisburg
Subsidiaries:	
(a) Klueser & Co., K. G., Wuppertal-Elberfeld	Klueser & Co., K. G., Wuppertal-Elberf
(b) Roheisen Verkaufsgesellschaft Duisburger Kupferhuette, Wuppertal-Elberfeld	Roheisen Verkaufsges, Duisburger Kupferhuette, Wuppertal-Elberfeld
9. Kalle & Co. A. G., Wiesbaden-Biebrich	Kalle & Co., A. G., Wiesbaden-Biebrich
10. Dr. Alexander Wacker Ges fuer elektrotechnische Industrie mbH., Muenchen	Dr. Alexander Wacker Ges. fuer elektrochemische Industrie mbH., Muenchen Karbidverwertung Rostenbach Salzwerk Stetten
Subsidiaries:	
(a) Alzwerke GmbH, Muenchen	Alzwerke GmbH., Muenchen
(b) Elektroschmelzwerk Kempten A. G., Kempten	Elektroschmelzwerk Kempten A. G., Kempten
11. Dynamit A. G., Troisdorf	Dynamit A. G. Troisdorf, Schebusch, Wuergendorf Nuernberg-Fuerther Industriewerk Pulverfabrik Adolsfurth
Subsidiary:	
Prof. Dr. Paul Mueller Stiftung GmbH, Troisdorf	Prof. Dr. Paul Mueller Stiftung GmbH, Troisdorf
12. Wasag-Chemie A. G., Sythen	Wasag-Chemie A. G., Sythen
Subsidiaries:	
(a) I. F. Eisfeld GmbH, Kunigunde	I. F. Eisfeld GmbH, Kunigunde
(b) Zuenderwerke Ernst Bruen GmbH, Krefeld-Linn	Zuenderwerke Ernst Bruen GmbH, Krefeld-Linn

—W. JONES
Assistant Commercial Secretary for Canada

This review of the German chemical industry will be continued in our April 11 issue. Part II will take up production of sulphuric acid and other basic chemicals and give some details on Germany's foreign trade in chemicals—Editor.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

COMMODITY NOTES

BELGIAN CONGO

Synthetic Fuel—The Belgian Congo will gasify its low-quality coal by the same method being used in South Africa. A heavy capital investment will be required and the operation will have to be a large-scale one. About 100 thousand tons a year of mineral oils, automotive benzine, diesel oil, etc., will be produced. It is expected that subsidiary industries will grow up around this development—Leopoldville, March 10.

BRAZIL

Coffee—Brazilian coffee exports dropped about 500 thousand bags in 1952, according to the Brazilian Rural Society. Exports in 1951 amounted to 16,358,008 bags, as compared with 15,823,006 bags in 1952. The decline is attributed to smaller United States' imports—Rio de Janeiro, March 5.

ISRAEL

Lumber—Information received from Israeli authorities has indicated that 36·8 million FBM of lumber was imported during 1952. Of this total, Canada supplied approximately 13 per cent—2·3 million FBM of East Coast lumber, mainly spruce, and 2·65 million FBM of West Coast lumber, mainly Douglas fir—Athens, March 18.

ITALY

Ball Bearings—Four hundred million lire has been provided by banking circles to finance the construction of the first ball-bearing factory in the south of Italy. It should fill an urgent need—Rome, March 12.

SWEDEN

High-Frequency Set—A Swedish firm is manufacturing a table model high frequency set for heat treatment in such operations as hard-soldering, hardening, tin-soldering, brazing, etc. This new set can be placed on the workbench and is easily movable. The specified high-frequency power is one kilowatt. The set has a built-in high frequency transformer which makes it possible to use the power in small doses and to maintain strong concentrations. The height of the set is 660 mm. and the depth 525 mm. With the set are supplied

an oscillator valve and four rectifier valves. The effective power is 2 kVA and the discharge of cooling water is one litre a minute—Stockholm, March 9.

UNITED KINGDOM

Tinplate—Tinplate supplies are now freely available in the United Kingdom. Total output was 900 thousand tons in 1952 compared with 724 thousand tons in 1951. Domestic and export needs have been estimated at 835 thousand tons. On October 20, 1952, the control whereby all products could be packed in tins produced from highest quality cold reduced tinplate was lifted. The result has been that the demand for waster plates (tinplate not in perfect condition which sells at the same price) has declined and stocks have accumulated. South Wales stocks are reported to be as high as 50 thousand tons. Prices have been ranging from 72s. 6d. per box to 85s. per box, with an average of 75s. a box for cold reduced plate and 72s. 6d. per box for tinplate from the handmills. (About 20 boxes of tinplate equals one ton.) Against this the home trade price was 57s. 1½d. per box.

Because of the reduced demand, the Steel Company of Wales stopped production at all its tinplate handmills on March 2nd. Leaders in the industry expect, however, that demand will recover in a few months' time—Liverpool, March 20.

UNITED STATES

Broaching Machine—The Lapointe Machine Tool Company, Hudson, Mass., has designed and built a new horizontal broaching machine. It will broach at a speed of more than 150 feet a minute and can be equipped with drives up to 200 h.p. for powerful, high-speed operation. The machine was originally developed for broaching of anchor slots in compressor rotor discs and turbine wheels for jet engines at cutting speeds below 50 feet per minute. It can also be adapted to the automobile industry because of its ability to operate at the higher speeds. Capable of strokes from 66 to 200 inches it is mainly electrically driven, although several of the ancillary fixtures are hydraulic. Through its own control panel, the machine can be operated at various speeds during the course of the stroke—Boston, March 25.

WEST GERMANY

Cutlery—The Chamber of Trade and Commerce in Solingen (Ruhr) has announced a decrease in West Germany's 1952 exports of cutlery products. However, because of higher prices, the value of exports exceeded last year's. In a number of foreign markets price wars developed in the cutlery field and razor blades were particularly affected. Razor-blade producers offset the general falling-off in the European market by larger orders from South America. Though no decrease in trade with the Near East as a whole has been noticed, exports to Egypt have suffered from increased tariffs since the beginning of this year—Bonn, March 16.

Japan's Foreign Trade in 1952

Despite lower exports, Japan achieved a favourable balance of payments last year—but many problems and obstacles loom ahead.

TOKYO—Japan's foreign trade, which increased every postwar year, slumped in 1952. Trade with Southeast Asian countries decreased in quantity and value, chiefly because of reduced textile exports. Year-end balances revealed that exports totalled $1,289 million, down 6·2 per cent from 1951. Imports decreased only 1·0 per cent compared with the previous year but, with a total value of $1,718 million, accounted for an adverse balance of visible trade of $429 million. One highlight was an increase in exports to the United States. This, and the funds spent in Japan by American forces, brought a favourable year-end balance of payments but few encouraging indications of increased trade for 1953.

Foreign Trade Vital

Because Japan lacks natural resources, trade is predicated upon the need for importing food and raw materials. A population of 85·5 million, increasing at the rate of 1·2 million a year, occupies an area two-fifths the size of British Columbia, but only 15 per cent of the land can be cultivated. China and Korea were at one time important markets and also suppliers of rice, iron ore, coking coal, soya beans, salt, hides, skins, oils, and fats. With these sources no longer available, Japan must import raw materials from elsewhere, primarily the United States, at higher landed prices. Imports of food last year were substantial, including 3·64 million tons of grain alone, 980 thousand tons each of rice and barley, and 1,680,000 tons of wheat. Imports of food grains in 1953 will be only slightly lower than last year.

The Basic Weakness

These large imports of food, coupled with an absolute dependence upon external sources for large quantities of such raw materials as cotton, rubber and wool, indicate basic weaknesses in Japan's economy. Industrial productivity after the end of the war steadily increased until the second quarter of 1951, when output levelled off about 40 per cent above the average production for 1934-36. However, the standard of living has not kept pace because of a population increase of 17 million. It is obvious that to feed and employ her population, Japan must secure her requirements and sell more in increasingly competitive world markets. To accomplish this there must be more efficient and larger domestic production. It remains to be seen whether exports and actual output can be appreciably increased.

The following table reveals the pattern of Japan's commodity trade in the exchange of industrial manufactures for foodstuffs and raw materials. In the years 1934-36 manufactures represented 80·7 per cent of

the country's exports and 71·6 per cent of imports consisted of foodstuffs and raw materials. This trend was intensified after the war. Today about 90 per cent of all exports are manufactured products, and foodstuffs and raw materials account for 86 per cent of imports. All ten of Japan's most important imports are raw materials; silk is the only raw material exported in quantity.

Imports of Japan 1952

By settlement currency and main commodity groups
(millions of dollars)

Commodity group	Sterling Area	Open Account Area	U.S. Dollar Area	Total
Fibre and textiles	286·2	27·2	248·5	561·9
Grains and food	60·3	97·7	390·8	548·9
Metallic minerals and metal products	46·0	20·9	72·0	139·0
Coal, non-metallic mineral products	31·3	6·7	65·9	103·9
Petroleum, oils, fats, waxes	30·9	7·5	52·9	91·3
Machinery	9·9	11·5	42·5	63·8
Others	67·9	59·4	82·4	209·7
Total	532·5	230·9	955·0	1,718·4

Exports of Japan 1952

By settlement currency and main commodity groups
(millions of dollars)

Commodity group	Sterling Area	Open Account Area	U.S. Dollar Area	Total
Fibres and textiles	282·5	91·9	103·1	477·5
Grains and food	29·7	17·9	51·6	99·2
Metallic minerals and metal products	178·6	100·2	82·7	361·5
Coal, non-metallic mineral products	26·5	11·5	22·5	60·6
Petroleum, oils, fats, waxes	·4	·8	7·9	9·2
Machinery	40·9	38·6	60·4	140·0
Others	37·9	36·0	67·5	141·4
Total	596·5	296·9	395·7	1,289·2

Source: Foreign Exchange Statistics, December 1952, Bank of Japan.

Exports Decline

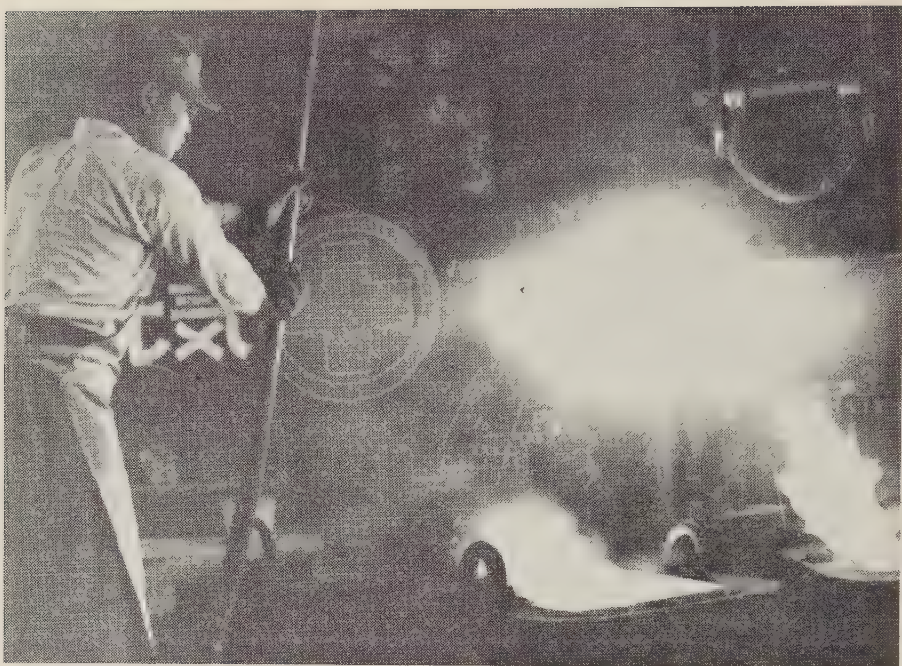
Detailed commodity statistics are not available, but it is possible to show the declining trend in exports by the following monthly totals for 1952.

Monthly Exports

(millions of dollars)

January	$129·6	May	$115·0	September	$ 88·7
February	108·6	June	88·4	October	100·8
March	152·8	July	89·6	November	87·6
April	116·0	August	92·2	December	84·4
	507·0		385·4		361·5

Japan did not benefit from the Korean War trade boom until December 1951, when exports totalled $165·8 million for the month, double those of January of the same year. However, last year's international trade recession, particularly in Southeast Asia, set Japanese exports back to the level of the first quarter of 1951.



Hot steel is poured from the ladle into moulds at the Yawata Iron Works in Fukuoka. Sales of steel to the U.S. at high prices in 1952 helped to boost Japan's dollar earnings.

Commodity trade with the United Kingdom is not large relatively but sterling area and other countries in Southeast Asia form Japan's logical and most important market. Confronted with increased import restrictions, Japan suffered a reverse in a drive to develop these countries into substantial markets and sources of raw materials. Textile sales have fallen drastically. Exports of artificial fibres, heavy chemicals, and machinery are encouraging stiff European competition and, in some instances, high tariffs and import restrictions designed to protect local industry. Textiles—which at one time accounted for over one-half of all Japanese exports—collapsed last year to slightly over 20 per cent of the total. In January, cotton mills were operating at only 70 per cent of capacity.

Exports to U.S. Increased

Exports would have been lower had it not been for the steel strike in the United States. Sales of steel to the U.S. at high prices helped to increase merchandise exports for dollars to a record $493 million, an advance of $65 million over 1951. Exports of raw silk were up only 1,800 bales, or 2·6 per cent. However, these brought inflated prices to swell to $44 million the amount realized for this commodity. Sales of ships helped to boost the total, but increases in shipments of canned fish and other foods to the United States will continue only under threat of high import tariffs being imposed.

In spite of decreased merchandise exports and an increase in volume of imports (slightly less in value) the year saw a favourable balance of payments achieved. The Japanese economy, warmed by the conflagration

in Korea, garnered foreign exchange receipts amounting to $2,284 million. Payments totalled $2,061 million, leaving a balance of $223 million. Sums received for transportation, insurance, and other items of invisible export are not unimportant, but Japan's international payments balance primarily stemmed from the income from special procurement orders, other defence expenditures of U.S. agencies, and the millions of dollars spent by members of the forces. Special procurement contracts in 1952 amounted to $286 million, down $74 million from contracts let in 1951. Individual spending and labour expenses of American forces are an estimated $430 to $450 million.

Foreign exchange earnings of this type are perhaps transitory but there are numbers of Tokyo businessmen who look forward to participating eventually in the business of rehabilitating Korea. Unfortunately the favourable balance of payments was earned by transactions in the first six months of the year. Japanese payments to sterling countries fell far behind imports in the last half of 1952, reversing the trend apparent since 1946. A deficit in balance of payments appeared in July for the first time in 12 months and was repeated each month, with the exception of October, until the end of the year.

Imports in 1953

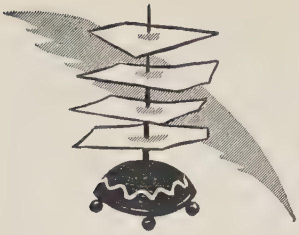
Because Japan's foreign exchange holdings decreased from an equivalent of $1,170 million in July last to $965 in mid-January, it is probable that imports will be further restricted in the 1953-54 fiscal year to husband this exchange to pay for vital imports. A reduction in imports will tend to increase domestic prices, already above international levels. Furthermore, the 1953 budget is generally considered inflationary, pointing to serious difficulties for Japanese exporters. Excluding food grains altogether, it is a difficult task to single out from among many raw materials those which could be imported in lesser quantities. It is logical to assume that manufacturers for export will receive special consideration and more particularly those who can prove that their goods are being well received in overseas markets.

—R. F. Renwick
Assistant Commercial Secretary for Canada

Transportation

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.



GENERAL NOTES

BELGIAN CONGO

Production Costs High—High costs are making it difficult for some factories in the Congo to cater to local requirements. Because of the high costs of transporting equipment and assembling it, investments in factories in the Congo often cost half as much again as in Europe. European personnel get up to five times as much as they do in Europe. Native labour has become much more expensive, largely because of recent government measures to improve their standard of living. It is even claimed that the cost of producing goods in the Congo for the local market is now nearly as high as in Belgium—Leopoldville, March 4.

BRAZIL

Exports Fall—From January to November 1952, Brazil exported 3,723,144 tons of merchandise, valued at Cr.$23,777,863,000, a decrease of 16·6 per cent in volume and 20·1 per cent in value from the same period in 1951. Of the four principal export items, coffee dropped 1·9 per cent in volume and 0·1 per cent in value; cocoa dropped 45·7 per cent in volume and 46 per cent in value; cotton 80·5 per cent in volume and 83·3 per cent in value, and exports of pinewood, 38·6 per cent in volume and 31·4 per cent in value—Rio de Janeiro, March 9.

CEYLON

Elephant Farming—The long-standing importance of the elephant in Ceylon's economy is shown in a recent press statement that serious consideration is being given to the breeding of elephants in captivity and the eventual establishment of a large elephant farm. Ceylon's elephant population is believed to have depreciated seriously during recent years. Today it amounts to little more than 2,000, most of them living wild in the jungle. The decline from a figure which must at one time have been very much higher is ascribed to forest depletion and extended colonization. The elephant's high value in forest operations and for similar work makes this project one of wide interest and substantial practical value—Colombo, March 2.

FINLAND

New Paper Mill—A new paper mill with a capacity of 70 thousand tons a year is to be constructed at Jamsa, Finland, it is reported. The machinery for this plant has already been purchased in the United States—Stockholm, March 3.

JAMAICA

Switching of Securities—Regulations have been relaxed by the Jamaica Finance Board to permit residents of Jamaica to switch dollar securities between Canada and the United States. Previously it was possible only to switch securities within the country in which they were held. This relaxation has been dictated by considerations following the abolition of exchange controls in Canada. The concession does not apply to residents of the United Kingdom, nor does it permit the conversion of sterling into dollars for the purchase of new securities —Kingston, March 17.

NEW ZEALAND

Exchange Surplus—In February, New Zealand had a favourable balance in overseas exchange of more than £6½ million, compared with a deficit of approximately the same amount in January of last year. Imports during the month decreased and exports increased—Wellington, March 9.

PAKISTAN

Foreign Capital Welcome—The following item appeared in a recent official government publication and may interest Canadian businessmen:

"Pakistan would welcome foreign capital seeking investment from a purely industrial and economic objective and not claiming any special privileges. Participation of nationals of Pakistan must, however, be ensured, both in the administrative and technical services manning the industry, and training facilities should be provided to Pakistan nationals by concerns that wish to establish themselves in Pakistan. Where trading facilities, rather than establishment of an industry, are desired by foreign firms, subsidiaries should be registered in Pakistan. Subject to these conditions, foreign capital will be welcomed, so long as opportunities for participation in indigenous capital are provided and monopolies avoided. The Pakistan Government consider that in the national interest, nationals of Pakistan should ordinarily be given the option to subscribe at least 51 per cent of all classes of share capital and debentures in industries."—Karachi, March 6.

UNITED KINGDOM

Monopolies Investigated—The Monopolies and Restrictive Practices Commission is inquiring into the supply and export of certain electrical and allied machinery and plant and of pneumatic tires. Investigations are also being made into several semi-manufactures of copper and copper-based alloys, woven fabric printing processes, and timber. Another and more general question being probed is the effect of discriminatory arrangements between traders. Suggestions and requests made to the Board of Trade for examination by the Commission in 1952 include: garage equipment, asbestos roofing, sanitary earthenware, cattle hides, baths, building construction, electric street-lighting equipment, glass containers, Scotch whisky and steel window frames—London, March 23.

British Cars and Their Markets

This fast-growing industry has made strenuous efforts to develop overseas markets, with creditable results. Future sales are hard to predict; competition from German and French makers will probably increase.

LONDON—One of the fastest growing industries in the United Kingdom since the war has been the manufacture of motor vehicles. Between 1938 and 1952 motor car production increased by 30 per cent, commercial vehicles by 150 per cent, and agricultural tractors by over 1,000 per cent. The capacity of the industry today is greater than even these impressive figures suggest because 1952 output was below that of 1951.

The number of passenger cars (including taxis) produced in the United Kingdom in 1952 was 448 thousand, a decline of 25 thousand compared with 1951. This fall was almost entirely the result of shortages of certain basic materials, particularly body sheet. However, the situation improved toward the end of the year, which suggests that raw materials will not be a problem in 1953. The output of commercial vehicles, at 242,372 for the year, was 17 thousand lower than in 1951. Agricultural tractor production fell to 122,800 from 137,415.

Developing Exports

At the war's end it was recognized that motor vehicles offered one of the most promising fields for United Kingdom exports and strenuous efforts have since been made to develop overseas markets. Government regulations restricted the number of cars which could be sold at home so that makers had to develop export business or cut back on production. Agency arrangements abroad were strengthened and designs modified to conform more to overseas tastes. The results have been good. In every postwar year the United Kingdom has been either the largest or second largest world exporter of motor vehicles. In 1952, cars accounted for almost 13 per cent by value of all British exports. Three out of every four cars made in the country were exported compared with three out of every one hundred and twenty in the United States.

Export Volume Drops

United Kingdom motor vehicle shipments, at 543 thousand, were 75 thousand less than in 1951, although the higher prices brought in a greater cash return. Passenger car sales dipped to 309,800 from 368,737 and commercial vehicles from 137 thousand to 128 thousand. The decline was due partly to production difficulties at home and partly to import restrictions imposed by overseas countries.

The growth of British motor vehicle exports owes something to discriminatory import controls in certain important markets. Australia, for example, in prewar days imported 38 per cent of her motor vehicle

requirements from the United Kingdom and 30 per cent from Canada. In 1952, largely because of restrictions on dollar imports, the United Kingdom's share of the Australian market rose to 78 per cent and Canada's declined to 12 per cent. Australia has long been the principal outlet for English cars although the 1952 sales at 88,143 were only 53 per cent of those in 1951.

Sales in Dollar Markets

Sales to Canada have been principally of passenger cars. Before the war the number of English models sold in Canada was trifling and seldom reached as many as a thousand in any one year. By taking advantage of the postwar shortage and by increased attention to the market, United Kingdom car manufacturers succeeded in building up their Canadian sales to 76 thousand vehicles in 1950. That year they accounted for one out of every three new cars registered in Canada. Unfortunately this sales volume has not been held, and for 1951 and 1952 the figures were 27 thousand and 21 thousand respectively. More cars were sold to the U.S. in 1952 than to Canada. New Zealand, which took 26 thousand cars, was the third most important outlet.

The future of British cars in dollar markets is hard to predict. The average British car is underpowered in relation to current North American tastes but it is, generally speaking, economical to operate and easy to park, which make it attractive—especially to the two-car buyer. The swing of public taste cannot be forecast, but the current interest in sports models should be helpful to United Kingdom makers, a number of whom have been active in this field for many years. A purchase tax of $66\frac{2}{3}$ per cent on new cars sold on the home market helps to divert cars to export, but it tends to restrict overall output and often reduces the advantages of full production schedules.

The expectation is that import restrictions in overseas countries will not be as harmful to the sale of British cars in 1953 as they were in 1952. Better supplies of steel and other materials are also a favourable factor. On the other hand, competition from German and French makers may be expected to increase, particularly in the small types.

—R. P. Bower
Commercial Counsellor for Canada

Index to FOREIGN TRADE

We should like to notify our readers that the index for the July-December 1952 issues of *Foreign Trade,* which is now being distributed, is the last printed index that we shall supply. In future the index will be mimeographed and will be sent only to libraries, universities, etc., and to those subscribers who request it. This notice is for the information of readers who make a practice of binding their copies of the magazine. The Information Branch, Department of Trade and Commerce, will be glad to supply additional copies of the present Index.

TRADE AND TARIFF REGULATIONS

BELGIUM

Sales Tax on Imports Increased—The transmission (or sales) tax applicable on imports into Belgium of a number of manufactured and semi-manufactured products has been increased effective March 16, 1953, according to a Belgian decree published on March 14. The increases range from 1 to 5 per cent of the duty-paid value, though the majority of increases are between 2 and 3 per cent.

The basic sales tax amounts to 4½ per cent in most cases, although the rates vary on a number of articles. It is applicable on both imports and on goods produced in Belgium. The increases, however, apply only to imports. They are thus ostensibly intended to equalize the Belgian tax load on locally-made products which are often taxed successively as raw materials and on further stages of production.

The following among the goods on which the tax has been increased may be of interest to Canadian exporters, the rates of increase being shown in parentheses: patent leather, synthetic fibre fabrics, elastic fabrics, nylon stockings, textile bags for packing, iron stoves non-electric, aluminum powder, harvesting and threshing machines (2 per cent); rolled oats, rubber hose, rubber footwear, refrigerators, freight automobiles and certain automobile parts (3 per cent); needles and dolls (4 per cent); rubber belting and paper bags (5 per cent)—Brussels, March 14.

Exporters may obtain information as to the tax increases on individual goods from the Foreign Tariffs Division, Department of Trade and Commerce, Ottawa—Editor.

CANADA

Non-Ferrous Metals Controls Lifted—The Minister of Trade and Commerce announced on March 20, 1953, a relaxation in export controls on shipments to the United States of non-ferrous metals, except nickel and nickel-bearing materials, effective immediately. The metals released from export permit control are: aluminum, antimony, bismuth, brass and bronze, cadmium, cobalt, copper, lead, molybdenum, tin, tungsten and zinc. The relaxation order affects their ores, concentrates, scrap and fabricated forms, as well as ingot metal.

These materials may now be shipped either way across the United States-Canadian border. Both countries retain export controls on shipments of these non-ferrous metals to off-shore destinations.

This action is in keeping with the Government's policy of removing trade restrictions as soon as the supply position permits. The purpose of the remaining control is to prevent strategic materials from reaching Communist countries and to prevent back-door exports

from the United States. Export licences will probably be granted readily, however, if there is adequate assurance that the exports are intended for consumption in friendly countries—Ottawa, March 30.

INDONESIA

Foreign Exchange Regulations Revised—Indonesia has revised its system of surcharges on foreign exchange required for imports, effective January 22, 1953, by introducing a new category of goods subject to a surcharge of 33⅓ per cent of their value. Most of the goods in this category were not subject to a surcharge before this change. Various revisions have also been made in the existing categories. As a result of these changes, imports into Indonesia now fall into the following categories, showing goods in each category which may be of interest to Canadian exporters:

- Category A—essential goods for which foreign exchange is available at the basic rate of 11.40 rupiahs to one United States dollar: wheat flour; certain cotton fabrics; rubber tires; newsprint; gas engines; certain kinds of machinery including textile machines; certain accessories for motor cars; crude aluminum, copper, nickel and zinc; and pharmaceutical specialties considered essential.

- Category B I (new)—goods subject to a surcharge of 33⅓ per cent on the basic rate of exchange, resulting in an effective rate of 15·20 rupiahs to one United States dollar: skimmed milk powder; linseed oil; canvas; wrapping paper; builders' hardware, plain; needles; jeeps, trucks and buses; accumulators; small domestic radios; and certain chemicals.

- Category B II—less essential goods subject to a surcharge of 100 per cent on the basic rate of exchange, resulting in an effective rate of 22.80 rupiahs to one United States dollar: canned fish; evaporated milk; rolled oats; passenger automobiles up to a c.i.f. value of US$2,100; typewriters; pharmaceutical specialties not considered essential; and fountain pens and propelling pencils not combined with precious metals.

- Category C—semi-luxury goods subject to a surcharge of 200 per cent on the basic rate of exchange, resulting in an effective rate of 34.20 rupiahs to one United States dollar: passenger automobiles of a c.i.f. value of more than $2,100 and up to $2,400; console, furniture-type and automobile radios; and electric refrigerators.

- Category D—luxury goods for which foreign exchange will not be made available: domestic air conditioning apparatus; articles of precious metals including fountain pens with the holder or cap entirely of such metals; and passenger automobiles valued at more than $2,400.

An advance notice of this revision was published in *Foreign Trade* of March 7. As pointed out in the notice, Indonesians importing goods from the dollar area must purchase, in addition to the

exchange at the rates shown above, dollar certificates equal to the full amount of the exchange required. The present cost of dollar certificates is 0.25 rupiah per United States dollar—Singapore, March 11.

Exporters may obtain information on the classification of individual goods under the above categories from the Foreign Tariffs Division, Department of Trade and Commerce, Ottawa—Editor.

UNITED STATES

Tariff Classification of Ontario Spruce Lumber—The United States Bureau of Customs has placed the following notice in the Federal Register of March 20, 1953:

"Notice of Prospective Classification

"It appears probable that white spruce lumber obtained from trees grown in the Canadian Province of Ontario is not entitled to the exemption from the import tax provided for in section 3424(a), Internal Revenue Code, as heretofore has been the case under an established and uniform practice.

"Pursuant to Customs Regulations of 1943, notice is hereby given that the existing uniform practice of classifying such merchandise free of the import tax is under review in the Bureau of Customs.

"Consideration will be given to any relevant data, views, or arguments pertaining to the correct tariff classification of this merchandise which are submitted in writing to the Bureau of Customs, Washington 25, D.C. To assure consideration, such communications must be received in the Bureau not later than 30 days from the date of publication of this notice. No hearings will be held."

According to United States law, "Western white spruce" and "Engelmann spruce" lumber are exempt from the import tax. All other spruce lumber is subject to the import tax of 75 cents per 1,000 FBM—Editor.

Import Controls on Dairy Products—The United States Department of Agriculture has announced an embargo on imports of dried whole milk, dried buttermilk, and dried cream, effective April 1, 1953.

This embargo replaces import quotas that have been in effect for the period terminating March 31, 1953, on the above products.

Existing controls on other commodities and products remain unchanged. These include embargoes on non-fat dried milk solids, butter, high-fat malted milk compounds; flaxseed, linseed oil, peanuts, peanut oil, and rice; individually licensed imports of brewers' rice; and import quotas on cheddar cheese, blue mold cheese, and certain other cheese.

All the above action was taken under authority of Section 104 of the Defense Production Act—Washington, March 25.

UNITED STATES

Tariff Classification of Mustard Seeds—The United States Bureau of Customs has ruled that, *mustard seeds of the type chiefly used for propagation of plants producing vegetable greens* are classifiable as "other garden and field seeds, not specially provided for", under tariff paragraph 764 at the rate of 1½ cents per pound, rather than as "spice seeds (whole mustard seeds)" under tariff paragraph 781, at the rate of ⅞ cent per pound.

This ruling will be applied to such or similar merchandise when entered 90 days from the date of publication of this decision in a forthcoming issue of the weekly *Treasury Decisions*—Washington, March 21.

TRADE COMMISSIONERS ON TOUR

TO familiarize themselves with conditions in this country and the special requirements of businessmen, Canadian Trade Commissioners return to Canada periodically. Exporters and importers are invited to discuss with the Trade Commissioner the markets and sources of supply in his territory.

M. T. Stewart, Commercial Counsellor for Canada in Mexico City, began the first part of his Canadian tour in Victoria, April 3-4. His itinerary will be:

Vancouver—April 6-10	Calgary—April 16
Edmonton—April 13	Winnipeg—April 20

Businessmen may get in touch with Mr. Stewart through the Department of Trade and Commerce, 355 Burrard Street, in Vancouver, and the Chambers of Commerce in Edmonton, Calgary and Winnipeg.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalents multiply by 1·01846.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. March 26*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1309	
		Basic buying	·1964	(1)
		Preferential selling	·1964	
		Basic selling	·1309	
		Free	·0707	
Austria	Schilling		·04596	
Australia	Pound		2·2120	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01964	
Bolivia	Boliviano	Official	·01636	tax 5% (1)
		Differential	·00977	tax 3% (2)
British West Indies	Dollar		·5760	(3)
	Pound		2·7650	(4)
	Dollar	Brit. Honduras	·6912	
Brazil	Cruzeiro	Official	·05307	tax 8% (2)
		Free	·02080	
Burma	Kyat		·2074	
Ceylon	Rupee		·2074	
Chile	Peso	Official	·03162	(1)
		Commercial	·01635	
		Free	·00892	
Colombia	Peso	Basic	·3927	tax 3% (2)
		Coffee buying	·4250	
Costa Rica	Colon	Official	·1753	(5)
		Free	·1471	*Feb. 16
Cuba	Peso		·9819	tax 2%
Czechoslovakia	Koruna		·01964	
Denmark	Krone		·1422	
Dominican Republic	Peso		·9819	
Ecuador	Sucre	Official	·06546	(6)
		Free	·05682	
Egypt	Pound		2·8195	
Fiji	Pound		2·4910	
Finland	Markka		·00427	
France	Franc		·00281	
French Africa	Franc		·00561	
French Pacific	Franc		·01544	
Germany	D Mark		·2338	
Greece	Drachma		·000065	
Guatemala	Quetzal		·9819	
Haiti	Gourde		·1964	
Honduras	Lempira		·4909	
Hong Kong	Dollar	Free	·1635	*March 13
Iceland	Krona	Official	·06029	
		Special buying	·04636	
		Special selling	·03767	
India	Rupee		·2074	
Indonesia	Rupiah	Basic	·08613	(7)
		Dollar certificate	·00204	*Feb. 16

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. March 26	Notes (See below)
Iran	Rial	Certificate I	·01137	*March 4
		Certificate II	·01131	*March 4
Iraq	Dinar		2·7650	
Ireland	Pound		2·7650	
Israel	Pound	Basic	2·7492	
		Special	1·3746	
		Investment	·9819	
Italy	Lira		·00158	
Japan	Yen		·00273	
Lebanon	Pound	Free	·2705	*
Mexico	Peso		·1135	
Netherlands	Guilder		·2584	
Netherlands Antilles	Guilder		·5206	
New Zealand	Pound		2·7650	
Nicaragua	Cordoba	Effective buying	·1488	(8)
		Official Selling	·1392	
		With Surcharge I	·1219	
		With Surcharge II	·09769	
Norway	Krone		·1375	
Pakistan	Rupee		·2968	
Panama	Balboa		·9819	
Paraguay	Guarani	Basic	·06546	(1)
		With Surcharge I	·04675	(9)
		With Surcharge II	·03272	
Peru	Sol	Certificate	·06203	
Philippines	Peso		·4909	tax 17% (2)
Portugal	Escudo		·03422	
El Salvador	Colon		·3927	
Singapore & Malaya	Straits dollar		·3226	
South Africa (Union of)	Pound		2·7650	
Spain & Dependencies	Peseta	Basic buying	·04483	
		Basic selling	·08751	(1)
		Basic commercial selling	·05977	
		Free	·02492	
Sweden	Krona		·1898	
Switzerland	Franc		·2289	
Syria	Pound	Free	·2628	*Feb. 16
Thailand	Baht	Official	·07855	(1)
		Free	·05709	*Jan. 30
Turkey	Lira		·3507	
United Kingdom	Pound		2·7650	
United States	Dollar		·9819	
Uruguay	Peso	Official	·6464	
		Basic buying	·5516	
		Special buying	·4178	(1)
		Basic selling	·5167	
		Special selling	·4007	
Venezuela	Bolivar		·2931	(10)
Yugoslavia	Dinar		·00327	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective rate for all Indonesian dollar exports is basic rate plus 70 per cent of dollar certificate rate. Exchange rate for other than essential imports is basic rate plus 33⅓ per cent, 100 per cent or 200 per cent, depending on the import category of the product. Cost of dollar imports is increased by full amount of dollar certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to all Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

foreign trade

APRIL 11, 1953

Britain's Export Drive in '52 (page 2)

foreign trade

VOL. 13 OTTAWA, APRIL 11, 1953 NO. 328

/ER . . . These tractors
up on a British dock will
be on their way to Euro-
customers. Exports of
ultural machinery from
.K. went up by 28 per
n 1952, though total ex-
dropped ten per cent.
story on page two.)
oto by U.K. Information
fice

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

Britain's Export Drive in '52

Though sales abroad slipped ten per cent, partly because of sterling area restrictions, certain types of exports achieved encouraging increases.

LONDON—The total value of United Kingdom exports in 1952, at £2,550 million, was £30 million less than the corresponding figure for 1951. In the first three months of the year, exports were running exceptionally high—11 per cent by value above the 1951 average. In the second half, however, activity fell away and sales overseas were 10 per cent below the previous year's average.

Over the whole year, the volume—as distinct from the value—of exports is estimated to have decreased by 6 per cent as compared with 1951. Prices on the other hand were, if anything, higher.

The decline was particularly noticeable in shipments to sterling area countries whose import restrictions against United Kingdom goods were beginning to take effect.

Distribution of Exports

Exports to non-sterling countries tended to improve and their value (£1,297 million) rose by £30 million. But exports to the sterling area actually fell by £60 million to £1,253 million.

The drive for United States orders continued to yield satisfactory results, with that market taking £144 million worth of United Kingdom goods, £7 million more than in 1951 and the best figure on record. Exports to Canada were not as good; at £127 million, they contracted by £10 million. This added up to a net loss of £3 million in the dollar trade of these two important areas, compared with 1951.

About 90 per cent (£2,281 million) of United Kingdom exports was represented by fully manufactured articles; the remaining 10 per cent consisted of "food, drink and tobacco" and "raw materials and mainly unmanufactured products".

In the fully manufactured category, engineering products provided no less than 40 per cent of exports. Metals accounted for 10·7 per cent and textiles for 15 per cent.

Half of the raw materials exports consisted of coal, which yielded £55 million, or 50 per cent more than in 1951. The quantity rose from eight million tons in 1951 to 12 million in 1952.

Engineering Products

The most important group in engineering products was "vehicles (including locomotives, automobiles, ships and aircraft)", exports of which reached £479 million, practically the same as the year before. Though some markets were held and even extended—the United States took £20 million, or 65 per cent more—there were significant losses in Australia, South Africa and India, and a small decline in sales to Canada.

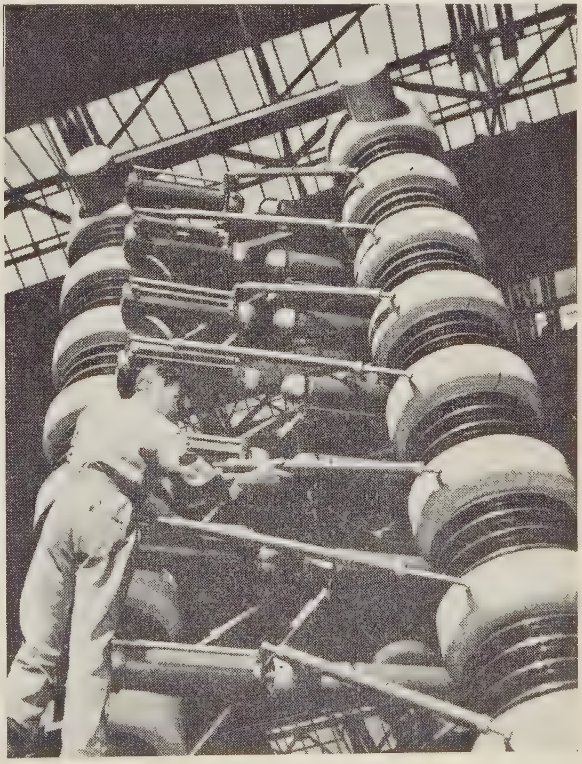
The value of aircraft exports in 1952 was only a trifle greater than in 1951. The recent large orders from abroad for new jet aeroplanes will have their effect in subsequent years.

Exports of machinery went up by 16 per cent, to £422 million, thanks partly to higher prices. The sterling area (particularly Australia, India and South Africa) and Western European countries plus Turkey, were the most active buyers. Electrical machinery, including generating sets and generators, motors and parts, transformers and switchgear, was the leader in the group, contributing £62 million worth of exports. Textile machinery sales amounted to £50 million; more than half of this was spinning machinery.

The growth of United Kingdom production of excavating and earth-moving, earth levelling and land-clearing machinery, including dumpers and dump trucks, is reflected in a healthy expansion of exports which, at £14 million in 1952, were nearly double the 1950 total. There was also a 28 per cent increase in exports of agricultural machinery, which reached £18 million. Combine harvesters made by subsidiaries of Canadian and United States manufacturers contributed materially to the increase. Machinery items in which export development was less rapid, or in which there were reductions, included prime movers and parts, internal combustion engines, and laundering machinery.

In the "electrical goods and apparatus" classification, exports amounted to £109 million, an increase of 13 per cent as compared with 1951. India, South Africa and Australia were the chief markets. The cable section of the industry, as well as telecommunication, radio and electronic apparatus, showed particularly good results but sales of domestic radio and electrical equipment declined.

This British engineer is working on part of a million volt D.C. super-tension cable testing plant for export to Norway. This same U.K. firm will supply generator transformers for the new Kemano power station in B.C., part of the Aluminum Company of Canada's great Kitimat project.



In 1952, United Kingdom exports of iron and steel and manufactures were valued at £192 million—20 per cent above 1951. This increase stemmed largely from a rise in prices, because the quantity shipped actually fell. Turning to individual lines, sales abroad of plates and sheets increased by 36 per cent to £56 million and of tubes and fittings by 31 per cent to £38 million.

Non-ferrous metals recorded an increase over 1951 of 17 per cent, exports being valued at £82 million. There was a welcome recovery in sales of tin to the United States, which took £12 million worth as compared with £6 million worth in 1951.

Textiles

All textile export industries were hard hit in 1952. Not only was the volume of business smaller but prices dropped. The value of exports of cotton yarns and manufactures was £148 million, as against £209 million in 1951; silk and artificial silk yarns and manufactures, £41 million (against £64 million); and other textile materials (i.e., linen, jute, etc.) £35 million, against £40 million.

Chemicals, Drugs, Dyes and Colours

In this division, exports in 1952 were valued at £138 million, or 3 per cent less than in 1951. Shipments of chemicals alone (£81 million) showed a slight overall improvement. This came chiefly from an increase of 85 per cent in exports of ammonium sulphate, which registered £9·8 million in 1952, and a 30 per cent increase in copper sulphate—£4·3 million in 1952. The scale of exports of sodium compounds (£13 million); drugs, medicines, etc., (£32 million); dyes and dyestuffs (£8 million); colours (£17 million) was a little lower than in 1951.

Pottery and Glassware

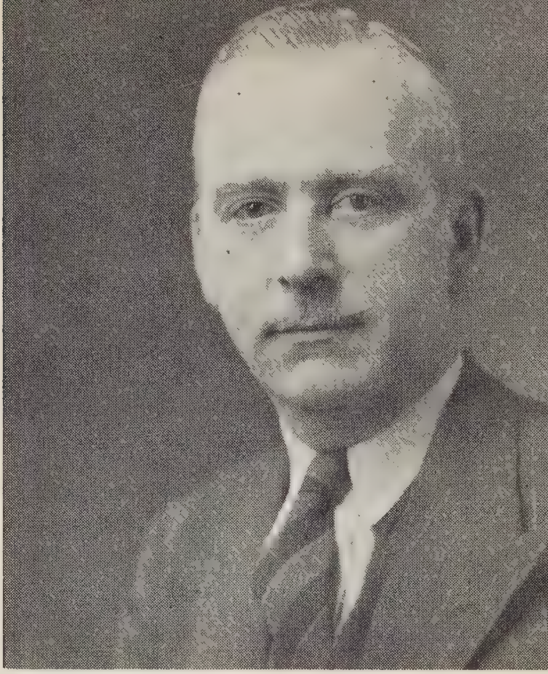
Pottery has been a consistent earner of foreign exchange since the industry started up again after the war, but 1952, when exports were valued at £26 million, was not as good a year as 1951, when the value was £28 million. Similarly, exports of glass and glassware (£12 million in 1952) were lower by £2 million than in 1951.

Oils, Fats and Resins

In the manufactured oils, fats and resins group, a substantial increase took place in 1952 when exports topped £62 million, a rise of nearly 50 per cent. The additions to the United Kingdom's refined petroleum production capacity were responsible. Exports of this alone amounted to £52 million, 75 per cent more than in 1951.

Shipments abroad of paper and cardboard fell in value by 8 per cent in 1952 to £39 million, and of leather and manufactures by 23 per cent to £13 million. Exports of plastic materials in 1952 were worth £14 million; of floor coverings, £6 million; of jewellery, etc., £11 million; toys, £5 million. In all cases, however, the figures were less than in 1951. On the other hand, the export performance improved in arms and ammunition (£33 million in 1952); printed matter (£10 million); toilet preparations, etc. (£6 million); and prefabricated buildings (£7 million).

—R. P. Bower
Commercial Counsellor for Canada



New Director of the Trade Commissioner Service

JOHN H. ENGLISH, Commercial Counsellor of the Canadian Embassy at Washington since 1948, will return shortly to Ottawa to become Director of the Canadian Trade Commissioner Service, succeeding George R. Heasman, recently appointed Canada's first Ambassador to Indonesia.

In making this announcement, the Right Hon. C. D. Howe, Minister of Trade and Commerce, referred to the excellent service rendered by both Mr. English and Mr. Heasman, not only in many posts abroad but also in important wartime duties at Ottawa.

During his period as Director of the Canadian Trade Commissioner Service, Mr. Heasman has carried through a pressing postwar program of recruiting and training new personnel, expanding the chain of trade promotion offices abroad, and re-locating many of them to meet the current needs of Canadian commerce. To his duties as Ambassador to Indonesia, Mr. Heasman brings exceptional qualifications as shown by his success as a Trade Commissioner there before the war.

Few members of the Canadian Trade Commissioner Service are better known to businessmen here than Mr. English, the incoming director. For over 25 years, he has filled a succession of posts which have given him a close insight into Canadian trade on many different fronts. His assignments have included New York, Dublin, London, Johannesburg and Washington. During the last five years, his active promotion of Canadian-American trade has been combined with special calls to represent Canada's interests in the work of many international organizations that have their headquarters in Washington.

The appointment of Mr. English is in line with the traditional emphasis placed by the Department upon lengthy and varied experience in practical trade promotion work as the basic qualification for efficient management of the Canadian Trade Commissioner Service.

Argentina's Agriculture Recovers

Excellent grain crops after three years of drought, the emphasis on agriculture in the new Five-Year Plan, and higher prices in meat contracts are transforming the agricultural picture.

BUENOS AIRES—Agricultural production in Argentina, particularly of wheat and grain, made a spectacular recovery in 1952-53. The wheat, coarse grain and flax crops are the largest in many years, officially estimated at 249 per cent above last year and 47 per cent above the ten-year average ended 1951-52. The wheat crop, at 7·8 million tons, is the biggest since 1940-41 and the fourth largest in history. The production of livestock for domestic consumption and export was maintained, and the supplies of dairy products returned to normal, with substantial export surpluses of cheese, butter and casein.

This revival demonstrates conclusively agriculture's power to recover speedily, given optimum growing conditions throughout the year in the important producing zones and a more liberal government policy. Though the rainfall in many parts was not greater than normal, it was more evenly spaced and came, except for corn, at opportune intervals. Natural pastures were in very good condition all year and, because most areas had a record rainfall in January and some rain in February, good moisture conditions continue in the first quarter of 1953.

Export Surpluses Achieved

All this is in sharp contrast to a year ago when, largely because of drought in the past three years, export surpluses of grain were insignificant. In fact, the wheat crop did not cover home consumption and Argentina imported wheat for the first time in modern history—some 206 thousand tons from the U.S. The export of grain and by-products is vital to the Argentine economy, accounting in past years for up to 50 per cent of its foreign exchange earnings. This year Argentina has substantial export surpluses of all grains, wool, cotton, linseed oil and dairy products. The contract with the United Kingdom will take most of the surplus meat although, to meet the 144 thousand tons of beef specified for 1953, it will be necessary to continue restrictions on home consumption.

The selling of Argentina's principal export products, except wool, continues in the hands of IAPI (Argentine Trade Promotion Institute), the state trading agency. IAPI negotiates government-to-government contracts and barter deals and, though exporters may negotiate sales abroad, they act as agents for IAPI which establishes the price. In some cases, exporters may buy commodities on tender from IAPI and sell abroad, accounting to the Central Bank for the foreign exchange involved.

Although Argentina has a surplus of agricultural products for export this year, there will be no marked improvement in foreign exchange earnings as far as the issuing of dollar import permits is concerned.

Reduced export surpluses over the past few years and particularly last year meant that the country borrowed heavily abroad, not in cash but in goods. Consequently, a large portion of this crop will go towards liquidating the debt. On the other hand, the policy appears to be one of asking higher than international prices for those products being negotiated to debtor countries. In these circumstances, negotiations take time and so far only a fraction of the grain crop has been exported. As the marketing season advances, there may not be enough time to move the surpluses, assuming that they can find a market before the next harvest.

The Government is committed under its agricultural policy to purchase grain crops from producers at the official prices. In view of the large yields, the producer will have more income than at any time in recent years. Some producers have borrowed extensively from government banks under the liberal farm loans, but businessmen in rural towns and cities feel optimistic that business conditions will improve substantially in 1953. This will, in turn, be reflected in all business and industry, still depressed throughout the country.

Grain Production Up

In the 1952-53 crop year the production of wheat, oats, barley, rye and flax was officially estimated at 11,385,200 metric tons, compared with 3,268,900 tons last year and with the ten-year average (ended 1951-52) of 7,755,500 tons. This is the largest crop since before the war and reflects excellent growing conditions rather than a significant increase in acreage. The surplus available for export or carryover is 3·5 - 4 million tons. Last year the crop itself was only 2·1 million tons.

The production of oats, barley and rye is also a near-record. These grains are sown primarily for winter pasture and the acreage to be harvested depends on the condition of the natural pastures during the winter and spring. The rains in 1952 meant good natural pastures and a larger proportion of these grains was thus left for harvest. The producers were also encouraged by the higher and profitable official prices for these crops.

Agricultural Outlook

> *Under a new contract, the United Kingdom will take 144 thousand tons of Argentine beef in 1953.*

> *In wheat, 3·5 to 4 million tons will be available for export or carryover.*

> *The March corn harvest in Argentina is expected to provide exports of about 1½ million tons.*

> *Sales of wool to overseas customers from October 1, 1952, to February 9, 1953, totalled 192,700 bales. The United States bought nearly 50 per cent.*

> *Exports of lamb in 1952 totalled 1·2 million carcasses, a sharp rise over 1951.*

Production of flaxseed at 570 thousand tons, although up from last year's 313,400 tons, is far below previous crops. Heavy weed growth impaired flax yields in the current season. Argentina still has large stocks of linseed oil, privately estimated at about 150 thousand tons at the beginning of the year.

The Corn Crop

Because of drought and reduced acreages, Argentina has had a succession of poor corn crops. This grain is important to the Argentine economy because the hard flint type grown is in demand in European markets. Scarcity and high cost of harvest labour (mechanical pickers are not in general use) have been a factor in reduced corn acreages. The common varieties of corn grown in Argentina are not entirely satisfactory for these machines and most of the hybrid seed is the dent type, mainly for local production. Limited quantities of single cross flint are being grown and this can be satisfactorily harvested by machine.

The production of corn in 1953, harvested in March, is privately forecast at about four million tons, which will provide an export surplus of about 1½ million tons—a considerable improvement over recent years. Although there was heavy rainfall throughout the corn belt from the middle of January, it was too late for early-planted corn which suffered from a hot, dry period in late December and early January. Fields planted later are generally good and will account for the bulk of the crop this season.

Second Five-Year Plan

President Peron's Second Five-Year Plan was passed by Congress and became law on December 21, 1952. The ambitious program for 1953-57 covers every phase of national activity and is divided into five general sections: social, economic, commerce and finance, services and transport, and administrative.

The implementation of the Plan will depend largely on foreign exchange earnings and it is worth noting that the emphasis put on industry in the first Five-Year Plan has been transferred to agriculture, which accounts for more than 92 per cent of the foreign exchange earnings. This more favourable policy towards agriculture was already apparent in early 1952, when the campaign for increased sowings was launched and a back-to-the-land movement was encouraged by higher official producer prices for crops and higher wages for farm labour. According to the Plan, the Government's agricultural policy will be based on "maximum and better production to meet the requirements of the domestic market and provide an adequate exportable surplus, thus contributing to the country's economic independence".

Among the agricultural targets of the Plan are:

- An increase in the area sown to grain and oilseeds of 57 per cent over present figures, by 1957-58.

- A seeded wheat area of eight million hectares in 1957-58, a 33 per cent increase over the annual average from 1947-51, the period covered by the first Five-Year Plan, and 27 per cent above the 1952-53 acreage.

• Flax sowings of two million hectares by 1957-58—double the 1952-53 figure.

• Corn acreage of seven million hectares, compared with 3·3 million hectares for 1942-51, and 6·4 million hectares for 1935-39.

• Acreages of other crops such as cotton, rice, sugar and tobacco to be maintained or increased to become independent of imports and provide surplus for export.

The Livestock Goals

The section on the livestock industry sets out the following goals:

• Stocks of cattle to be increased by 10 per cent.

• Beef production to provide for rational domestic consumption and leave an exportable surplus of 380 thousand tons, a 52 per cent increase over 1951, when 250 thousand tons were exported.

• Annual production of pork to be increased by 60 per cent to reach 200 thousand tons.

• Production of mutton and lamb to be raised from 140 thousand tons (1947-51 average) to 210 thousand tons and domestic consumption to be increased from 50 thousand to 85 thousand tons.

• Output of wool to go up by 8 per cent to 203 thousand tons a year.

• Dairy cattle to be raised from 3·3 million to 4 million head, to allow for an increase of 41 per cent in domestic consumption of milk.

Wool Carryover High

At the beginning of the wool year on October 1, Argentina's carryover of wool was estimated at 180 thousand metric tons, about double the carryover on the same date in 1951. The new clip was privately estimated at 190 thousand tons, slightly less than the previous year. Domestic requirements are about 50 thousand tons, and this leaves Argentina with an exportable surplus of 320 thousand tons of greasy wool. In July 1952, to encourage exports, the Central Bank modified the exchange rate for the export of wool. The bank provided 50 per cent at the basic rate and 50 per cent at the preferential rate, thus creating the effective rate of 6.25 pesos to the U.S. dollar. At the same time, the 8 per cent sales tax on wool exports was suspended. The special rate (which only applied to exports for payment in dollars and in pounds sterling) was extended on February 12 to payment in other currencies, when official bodies make the purchases.

The local wool market has been more active in recent months than it has been for over a year. According to statistics compiled by trade sources, from October 1 to February 9 the exports of wool totalled 192,701 bales, as compared with only 14,117 bales for the same period last season and 111,907 bales for the wool year ended September 30, 1952. The United States is the principal buyer of Argentine wools with 93,264 bales, followed by the United Kingdom with 44,373 bales.

Because the United Kingdom continues to be the principal market for Argentine meat, local trade circles welcomed the signing of a new protocol to the Anglo-Argentine Agreement. After eight months of negotiations, the contract was signed on December 31. Under it Argentina will supply 238 thousand long tons of meat, including 144 thousand tons of carcass beef, 50 thousand tons of lamb and 10 thousand tons of pork cuts. The United Kingdom will supply essential goods, mainly petroleum and coal. The quantities of each category of meat are specified, whereas previous contracts called for an overall quantity which permitted Argentina to supply mutton and offal and to retain carcass beef for other outlets. Pork is included in the contract—a concession to Argentina to bolster its declining hog industry.

Beef Prices to U.K.

The price for best quality chiller beef sides is 21·9 cents Canadian a pound, 24 per cent above the price established in the last contract. For frozen beef sides, the price is 19·5 cents a pound, or 28 per cent higher than last year; for lamb carcasses 17·9 cents a pound, or an increase of 15 per cent; for pork cuts 31·8 cents a pound.

Shipments against this contract began in January, the first meat shipments to the United Kingdom since June except for a provisional quota in August-September. During the month of January some 271,311 quarters of beef were exported, of which 186,458 went to the United Kingdom. All the lamb exports (110,574 carcasses) went there also.

A review of the monthly shipments of meat during 1952 makes it appear that Argentina is unable to find an alternative market for her surplus meat products. Except for about 4,000 tons shipped in August-September under a provisional contract, the quantities supplied to the United Kingdom were shipped in the first half of the year in fulfilment of the 1951 agreement. In the final months of 1952, although no meat was cleared for the United Kingdom, shipments to other destinations were smaller than in the first half of the year. According to statistics compiled by trade sources, during 1952 Argentina exported 1,500,119 quarters of beef, slightly less than in 1951. The United Kingdom received 51·9 per cent. Exports of lamb in 1952 totalled 1,174,531 carcasses, up sharply from the 788,436 shipped in 1951. The United Kingdom took 94·9 per cent of the lamb in 1952 and nearly all the mutton exports (at 348,543 carcasses) went to the United Kingdom.

Contract Will Be Filled

Trade circles believe that Argentina will be able to fulfil the contract in the calendar year because the period covers the stocks from two flush seasons—the last quarter of 1952 which was held in cold storage, and of 1953 which will be in the contract year. In February, Argentina resumed shipments of chilled beef to the United Kingdom after 13 years. This was a trial shipment and further small quantities will be going later. The last complete year of chilled meat shipments was 1938 and since late 1939, all beef has been shipped frozen.

—W. B. McCullough
Agricultural Secretary for Canada

FAIRS and EXHIBITIONS

Canada at the BIF

A message of praise and homage to Elizabeth II, surmounted by the Royal Cipher, establishes the Coronation motif of Canada's exhibit at the 1953 British Industries Fair in London. A Royal Canadian Mounted Policeman will be stationed near the central panel which bears the message of loyalty, and beside it twelve transparencies in glowing colours will tell the story of the Royal Visit to Canada, province by province.

Photographs, artwork and striking poster-style designs, with concise explanations, are used on panels tracing the development of Canadian agriculture, mining, manufacturing, construction, trade, transport and power during the 15 years since the last Coronation in 1937. The panel on construction, for example, has a cut-out framework of orange girders set against a deep blue background and enclosing photographs of new plant construction. Signs and placards of construction companies decorate the foreground. The mining panel features a large photograph of Canada's atomic reactor and a diagrammatic drawing of the Wabana iron ore mines in Newfoundland, illustrating the new techniques in metallurgy which have opened up frontiers for Canada's mining industry.

A statistical chart of British-Canadian trade, headed "Are You Getting Your Share of Trade with Canada?" and a large wall panel advertising the Canadian International Trade Fair complete the display. A private office and lounge will be set up within the exhibit where Canadian trade officers can talk with business visitors and answer inquiries.

The entire exhibit was prefabricated in Ottawa by the Canadian Government Exhibition Commission for the Department of Trade and Commerce.

Fair Calendar

Saar International Fair, Saarbruck, April 24-May 3.

Brussels and Liege International Trade Fairs, April 25-May 10.

Heavy Industries Fair, Hanover, Germany, April 26-May 5.

Paris International Trade Fair, Parc des Expositions de la Porte de Versailles, May 9-25. Admission cards from Commercial Coun-

72810—2½

sellor for France, 464 Wilbrod Street, Ottawa; Commercial Attache for France, 610 St. James Street W., Montreal and 185 Bay Street, Toronto.

Office Machinery and Equipment Exposition, Boston, May 25-28. Foreign businessmen invited to exhibit in All Purpose Business Show which is part of this event. Apply: Mr. H. F. Grebe, National Office Management Association, 132 Chelten Ave., Philadelphia 44.

International Trade Fair, Barcelona, Spain, June 10-30.

German Transportation Exposition, Munich, June 20-October 11.

International Trade Fair, Izmir, Turkey, August 20-September 20.

Fifth German Watch, Clock and Jewellery Fair, Frankfurt Fair Grounds, August 22-25. Information: Fair Authorities, Schumannstrasse 27, Frankfurt am Main.

New York Sees Canadian Handicrafts

Americans are flocking to the Canadian Showroom at Rockefeller Center in New York to admire the display of Canadian handicrafts which opened on March 9. The exhibit will run throughout April. The many retailers and wholesalers visiting the show see—and are buying— a variety of creations by Canadian artists, including handwoven textiles, in the piece and in skirts, stoles and coats; hooked rugs and pictures; ceramics; wrought iron work; wood carvings of typical scenes in provincial life, and of animals; hand-carved wooden lamps; model fishing schooners, jewellery, and lace.

Many of those who visit the handicrafts show will spend their holidays in Canada, and the attendants at the display can tell them in what Canadian towns and cities they may buy the craftwork shown.

Part of the current display of Canadian handicrafts now attracting visitors to the Canadian Government Showroom at Rockefeller Center, New York.

Japan Shapes a Trade Policy

. . . designed to cut production costs and make exports more competitive. Government loans will assist industries and trading firms.

TOKYO—The Japanese Government has formulated long-range plans to bolster the country's declining export trade—plans based largely on increased reciprocal trading with countries in Southeast Asia and the Far East. Chief among these plans are:

- Diversion of purchases of foodstuffs and raw materials, where possible, from present suppliers to countries in Southeast Asia.
- Raising of exports of textiles, chemicals, heavy industrial products, plant and machinery and sundry goods to nations in that area.
- Co-operation in the joint development of resources and industrial projects in the region.
- Achieving of lower production costs on coal, steel and heavy chemical products.
- Expansion of the Japanese Merchant Marine and formation of import and export associations.

Trade Representation Extended

Although increased trade in Southeast Asia is stressed, Japan will endeavour to foster economic co-operation with other countries also. Treaties of commerce and navigation are to be concluded with friendly trading nations to ensure the conduct of Japan's international trade on the best possible terms. The Japanese Government regards participation in the GATT as an integral part of its trade program. It intends to conclude new trade and/or payment agreements and to revise existing trade agreements, some 30 of which are now in effect. Trade and diplomatic representation abroad is to be expanded to make possible thorough trade surveys in potential markets; trade missions will also be dispatched to important overseas markets. There are, in fact, a number of Japanese trade missions visiting potential overseas markets at the moment and additional ones will set out in the near future.

Lowering Production Costs

Because the prices of a number of their key industrial products remain above international levels, the Japanese are taking active steps to reduce production costs. This is to be accomplished by eliminating wasteful practices in basic industries—particularly coal, steel and heavy chemicals. Industries may be diverted from thermal to hydro-electric power to ensure an adequate power supply. The Government proposes to spend Yen150,000 million in the forthcoming fiscal year to develop electric power projects. This represents an increase of Yen30,000 million

over the preceding year. The objective is $5\frac{1}{2}$ million kwh at the end of five years. It is planned to reduce coal prices—which are well above world levels—by modernizing productive facilities, e.g., introducing shafts in mines. Colleries will receive tax relief and other financial assistance to enable them to lower costs. Iron and steel manufacturers will get long-term, deferred payment loans to help them modernize the steel mills. This is expected to bring down steel prices and enhance Japan's competitive position not only in steel but also machinery and plant, which are important Japanese exports.

Trading Companies Aided

Japanese trading firms engaged primarily in foreign trade will be strengthened when the proposed revision of the anti-monopoly law is passed. A number of coming financial measures will improve the competitive position of these firms, which still handle the largest percentage of Japan's foreign trade. Their outstanding short-term debts are to be converted into long-term loans, and special taxation arrangements will cover expenses of establishing overseas branches. Trading firms are also to be encouraged to increase their capital, presumably by amalgamation.

Government Funds for Industry

Japanese industrial and trading firms are in a period of financial stringency, and the proposals for expanding foreign trade and economy will thus be carried out by decreased taxation and active use of government funds. The 1953-54 budget contains an appropriation of Yen151,300 million to step up production of foodstuffs, rehabilitate disaster areas, and undertake flood control and other public works. This sum is in addition to investment and loans for the development of electric power resources, shipbuilding, railways and other industrial projects. The additional funds required to implement this expansion will be raised by national savings bonds.

Summary

The measures to increase Japan's foreign trade and strengthen its competitive position in world markets are being taken at a time when dollar earnings are relatively high because of special procurement contracts and spending for the armed forces. The impediments to the movement of Japan's products to export markets, including the prohibition on the shipment of strategic items to China and import restrictions in sterling markets, pose acute problems. The slump in export trade, if continued, could seriously impede the country's economic recovery. There are no signs of immediate improvement in export trade; export validations for the month of January 1953 dropped to $81·8 million, the lowest figure since January 1951. Japan is strongly pressing for relaxation in sterling area import restrictions. The current trade policy is not expected to produce any startling immediate results, but it is realistically designed to correct the present unfavourable position and eventually to restore Japan's trading equilibrium.

—J. C. Britton
Commercial Counsellor for Canada

COMMODITY NOTES

BRAZIL

Cocoa—Brazil's 1952 crop amounted to 158 thousand tons, worth Cr.$1,304 million. Production in the State of Bahia amounted to 152 thousand tons. Although there is a ready market for cocoa at compensatory prices, business during recent weeks has been quiet. Producers and exporters are unwilling to sell and are retaining stocks in the hope of obtaining better prices from the U.S. A few lots have been sold at about US$36 per 50 kilos f.o.b. Arrivals at ports of shipment are still at the rate of approximately 10,000 bags a day; on January 28 the accumulated stocks totalled 225 thousand bags. Weather conditions have been favourable and a large mid-crop is expected to arrive early this year. December prices were Cr.$140 for superior, Cr.$135 for good and Cr.$130 for regular, all per 15 kilos. Shipments in 1952, at 964,409 bags, were considerably below the 1·6 million bags in 1951—Rio de Janeiro, March 19.

ITALY

Batteries—Production of portable batteries for trains, automobiles, etc., increased in 1952 to approximately 11 thousand tons, valued at 6,000 million lire. Production of fixed batteries was approximately the same as in 1951 and was valued at 2,000 million lire. Lead batteries are mainly used; they make up 90 per cent of the total production. The industry is operating at about 60 per cent capacity and supplies all domestic needs—Rome, March 12.

MEXICO

Sulphur—Sulphur production in Mexico this year should exceed 50 thousand metric tons. Production will soon be started in the State of Vera Cruz by the U.S.-owned Mexican Gulf Sulphur, with an anticipated output of 40 thousand metric tons a year in the immediate future. Deposits of some 800 thousand tons on the Island of Socorro, in the Revillagigedo group, also will be worked for the first time this year. Production at existing mines in the central State of San Luis Potosi was scheduled to be increased to 35 thousand tons this year, from recent annual averages of 10 thousand tons—Mexico, D.F., March 13.

SWEDEN

"Kraftfoil"—A new packing material, "Kraftfoil", has recently been introduced by a Swedish firm. It consists of a layer of reinforced paper, which protects against mechanical strain, and a layer of aluminum foil for isolating moisture. Asphalt is used to bind these two together. The material has been produced with an eye to the needs of the export trade for tough, damp-resisting packing material—Stockholm, March 10.

UNITED KINGDOM

Aluminum—The U.K. aluminum industry has been experiencing a trade recession during the past six or eight months. Various factors have contributed to this. Rearmament demands caused an acute shortage of fabricated aluminum about the middle of last year.

Manufacturers, unable to foretell the duration of this, tended to overstock. The supply position is easier now but, at the same time, the revised rearmament program has resulted, temporarily at least, in reduced aircraft orders. Restricted export markets have also had a bearing; exports of fabricated material and products manufactured from it have been reduced. The trade feels the situation is temporary, though the year is expected to be a difficult one—Liverpool, March 20.

UNITED STATES

Certified Seed Potatoes—The 1952 production of certified seed potatoes in the United States was 42,755,620 bushels, according to information received by the Bureau of Agricultural Economics from certifying agencies in 30 states. This is 17 per cent above the 1951 production of 36,630,815 bushels and 16 per cent above the 1941-50 average of 36,722,400 bushels, but 16 per cent below the record 1950 production of 51,071,441 bushels.

The increase in the 1952 production over 1951 was entirely the result of larger acreage. The yield of 321 bushels per acre in 1952, although above the average of 262 bushels, was smaller than the 1951 yield of 333 bushels. The total of 133,140 acres harvested in 1952 was 21 per cent larger than the 109,995 acres in 1951, but 5 per cent below the 10-year average of 140,245 acres—Washington, March 25.

WEST GERMANY

Nickel—West Germany has taken further steps to restrict the domestic use of nickel. Regulations effective January 28, 1953, state that the use of nickel and nickel alloys with a 6 per cent or greater content of this metal is either not permitted or is limited for a wide range of products. Use of stainless steel with a nickel content of 2·5 per cent or more is also curtailed. A few of the products affected by this order are: automobiles, bicycles, tricycles, dry cleaning equipment, agricultural machinery, ship fittings, radios and other electrical equipment, musical instruments, novelties and many others—Bonn, March 6.

The West German Chemical Industry II

Prewar, Germany was the world's leading exporter of chemicals. Despite an astonishing revival in the chemical industry since 1950, West Germany now ranks third as an exporter.

BONN—Perhaps the best index of the development of the chemical industry in any country is the extent of its production of sulphuric acid. Of the total of 36 sulphuric acid plants, with a capacity of over 20 thousand tons, in production in Germany before the war, 23 were in what is now the Federal Republic of Western Germany. To a large extent these factories were undamaged and though their technical processes may be somewhat antiquated, they have contributed substantially to the general increase in production.

The following table gives some indication of the revival of sulphuric acid production in Western Germany and its position relative to the four other major producers. The production figures from 1946 to 1951 indicate the trend and rate of the recent revival fairly clearly.

Production of Sulphuric Acid

(by main manufacturing countries and % of world production)

(1,000 metric tons)

Year	U.S.A.		Germany*		U.K.		Soviet Union		Japan	
1938	3,799	26·6%	2,272	16·0%	960	6·7%	1,500	10·5%	2,139	15·5%
1939	4,350	28·6	2,716	17·9	1,086	7·1	....	....	2,155	14·2
1941	6,142	40·9	2,362	15·8	1,219	8·1	....	....	2,235	14·9
1944	8,384	54·5	2,199	14·3	1,289	8·5	1,100	7·1	1,214	8·0
1946	8,349	56·0	342	2·2	1,349	9·0	....	....	573	3·8
1947	9,779	54·6	517	2·9	1,354	7·6	....	....	925	5·2
1948	10,393	51·7	814	4·0	1,577	7·8	....	....	1,217	6·1
1949	10,371	48·9	1,139	5·4	1,687	8·0	2,500	11·8	1,613	7·6
1950	11,663	49·4	1,446	6·1	1,832	7·8	2,800	11·9	2,030	8·7
1951	12,103	46·9	1,703	6·6	1,606	6·2	3,200	12·4	2,366	9·2

Source: Ungewitter "Chemie in Deutschland", UNO—Jahrbuch 1951, Koehler "Wirtschaft des Ostblocks".

* 1938 to 1944 German "Reich", 1946 and 1947, American and British Zones, since 1948 area of the Federal Republic.

Other Chemicals

Of the 22 alkali plants producing soda ash and electrolytic caustic soda prewar, 16 were in the Western zones. Of the 22 nitrogen plants, 15 were in Western Germany; of the 15 carbide plants, 10 were in the Western zones. Some 14 out of 20 pharmaceutical factories were in Western Germany, though these do not, in the main, produce basic chemicals. In fact, Western Germany emerged from the division of the country in possession of the greater portion of the chemical production facilities.

Table II gives some indication of the production of basic chemicals during the years 1950 and 1951. In every case, a trend towards increased production is apparent and this trend is most obvious in soda ash and

caustic soda production. German production of calcium carbide now approximates domestic requirements of about 650 thousand metric tons a year. The increase was to be expected because difficulties—such as restrictions on production ordered by the Allied High Commission, recurrent power and raw material shortages, and marketing problems—which, individually or in combination, tended to hinder production, have gradually become less important.

Table II

Production of Basic Chemicals

West Germany, 1950 and 1951
(000's of tons)

Commodity	1950	1951
Soda ash	247·2	278·3
Caustic soda and lye	111·5	159·9
Nitrogen fertilizers N*	147·6	160·4
Phosphate fertilizers P_2O_5*	118·3	128·3
Calcium carbide	210·8	217·1
Synthetic fibres†	54·4	61·0

* By chemical content.
† Cellulose fibres and artificial silk.
Sources: "Boersen-und Wirtschafts-Handbuch 1951", "Wirtschafts-Jahrbuch 1952".

The production position of Germany compared with other countries has, however, seriously deteriorated since 1938. Germany then was the second largest producer of chemicals in the world, exceeded only by the United States. The German industry turned out slightly more than $\frac{2}{5}$ of U.S. production and more than double that of the United Kingdom. In 1951, Western Germany was fourth as a producer, turning out approximately $\frac{1}{8}$ as much as the U.S., $\frac{1}{2}$ as much as the Soviet Union, and only $\frac{2}{3}$ as much as the U.K.

Foreign Trade in Chemicals

In studying German foreign trade in chemicals, it is interesting to compare the industry's present and its prewar position in world export trade. Germany has fallen from first to third position and the United States, in the period 1938 to 1951, has attained a commanding lead in exports which will be difficult if not impossible to overcome.

In terms of dollar volume, the German share of world exports declined from approximately 24·4 per cent for the whole of Germany in 1938 to 12·1 per cent for Western Germany in 1951. These percentages alone are misleading. This decline provides only a surface indication of the country's deteriorated position. The production of the Soviet Zone is to a large degree siphoned off to Iron Curtain countries and no reliable statistics about this zone's imports and exports are forthcoming. In addition, no statistics show the degree of control which has been lost to the German chemical industry.

At this time it is extremely doubtful if even the most extensive analysis could determine the economic loss which destruction of the I. G. Farben combine has caused. The removal of the central control exercised by this organization has resulted in some cases in cut-throat competition where products, in a relatively short period, have come into abundant supply. It has also removed the industry's ability to present a united front to all purchasers by establishing a set selling price for particular items. This has placed the onus on individual firms to be economically competitive or, alternatively, to disintegrate slowly. Uneconomic firms

do not have, in most cases, the financial resources to operate at a loss over a long period. When they were members of a combine, it could, in the interests of control, offset the losses of one factory or plant against the profits accrued by another.

To obtain a picture of the relative importance of basic sections of the German chemical industry as far as Germany's export trade is concerned, it is interesting to review the export figures over the last 20 years. Table III provides an indication of the relative trend of some basic segments from 1933 until the present, and is based on years which might be considered normal. This table shows that heavy chemicals, both organic and inorganic, have been predominant, with coal tar dyes and associated products a very close second.

Table III

German Exports of Chemical Products
by commodity groups

	1933*		1937*		1951†	
Total chemical exports (excluding rubber and potassium fertilizer)	749·2	100 %	839·4	100 %	2,063·8	100 %
Heavy chemicals (organic and inorganic)	177·0	23·6	176·6	21·0	532·9	25·8
Nitrogen fertilizers	52·7	7·0	60·0	7·2	166·7	8·1
Tar dyes and associated products	136·7	18·3	151·6	18·1	306·1	14·8
Mineral dyes and paints	57·2	7·6	57·3	6·8	208·6	10·1
Pharmaceutical products	105·8	14·1	139·8	16·7	185·1	9·0
Chemical fibres (artificial silk and cellulose fibres)	30·7	4·1	25·7	3·1	198·1	9·6

* Reichsmarks.
† 1951 Federal Republic in Deutsche Marks.
Source: "Wandlungen des Welt-Chemiemarktes" (Export Edition), Volume 4, 1952.

The relative trend of exports of more specialized groups is shown in Table IV, which also covers the same period.

Table IV

German Exports of Important Chemical Products
in million RM/DM

Product	German Reich 1936	1946	Federal Republic of Western Germany 1949*	1950	1951
Heavy chemicals†	235·1	181·6	77·6	279·6	532·9
Ferro alloys and compounds	16·1	12·5	0·1	0·6	3·6
Nitrogen fertilizers	48·9	19·4	2·8	112·3	166·7
Phosphorous fertilizers	2·8	1·8	1·2	4·2	5·8
Coal tar dyes & intermediate products	138·2	98·5	65·2	177·7	306·1
Mineral colours and paints	68·2	49·0	47·3	99·7	208·6
Varnish, lacquers, etc.			0·9	2·9	11·5
Explosives and detonating chemicals	23·2	17·9	2·4	5·2	12·8
Pharmaceutical products	111·0	91·6	27·3	90·6	185·1
Essential oils	9·7	7·1	0·7	6·4	11·4
Cosmetics	5·4	4·0	0·3	2·7	7·9
Soap and washing materials	11·0	9·3	0·8	5·9	16·0
Glue and gelatine	7·7	6·0	2·8	7·3	9·9
Tanning agents	1·7	1·3	0·7	2·1	3·7
Artificial silk	27·8	17·9	22·7	45·5	91·0
Artificial staple fibre	1·9	1·2	0·7	38·5	107·1
Plastic extrusion and forming materials	16·2	21·0	2·4	14·2	68·2
Other plastic materials	11·1		2·3	9·9	29·6
Photo-chemical products	31·0	15·4	3·3	10·1	26·1

Sources: Ungewitter: "Chemie in Deutschland".
Federal Statistical Office.
"Deutschlands Chemische Industrie".
The figures for the year 1936 are estimates.

* 1st to 3rd quarter British and U.S. zones only. 4th quarter Federal Republic of Western Germany.

† As "heavy chemicals" cannot be precisely defined, the values provided in this group, compiled from different sources, cannot be used for comparison without certain reservations.

The West German chemical industry, although now faced with a very high degree of competition in foreign markets and with many other problems, has largely regained confidence in its ability to overcome its difficulties. As further controls are relaxed, it seems inevitable that a greater degree of co-ordination between the activities of various producers will take place. Such co-ordination, with the realization that a laboratory research program is necessary if new and useful chemical compounds are to be found, make it appear inevitable that the industry will continue to grow both in strength and influence. A large portion of present research is in synthetic fibres and petrochemical development, although other chemical subdivisions (such as plastics) are not being neglected. Experts here are predicting that Germany, within the space of the next few years, will enter foreign markets with new products and procedures. They support this view by referring to procedures of German origin perfected many years ago which are still in general use throughout the world. They also refer pointedly to the extensive German experience in the chemical field and to the lower relative costs in Germany of hiring expert laboratory technicians and subsidiary staff.

—W. JONES
Assistant Commercial Secretary for Canada

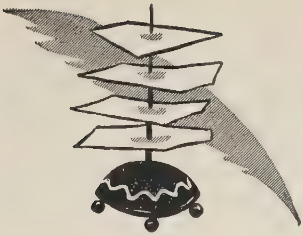
TRADE COMMISSIONERS ON TOUR

TO familiarize themselves with conditions in this country and the special requirements of businessmen, Canadian Trade Commissioners return to Canada periodically. Exporters and importers are invited to discuss with the Trade Commissioner the markets and sources of supply in his territory.

M. T. Stewart, Commercial Counsellor for Canada in Mexico City, began the first part of his Canadian tour in Victoria, April 3-4. His itinerary will be:

Edmonton—April 13 Calgary—April 16
Winnipeg—April 20

Businessmen may get in touch with Mr. Stewart through the Department of Trade and Commerce, 355 Burrard Street, in Vancouver, the Board of Trade in Calgary and the Canadian Manufacturers Association in Edmonton and Winnipeg.



GENERAL NOTES

FRENCH MOROCCO

Trade Balance—French Morocco's trade balance was very unfavourable during 1952, with exports accounting for only 52 per cent of the value of imports. This is perhaps normal for a country undergoing rapid development, but it meant an additional drain of almost 23·5 billion francs on the foreign exchange assets of the franc area.

The deficit with the dollar area, although relatively small in proportion to the total value of trade, is the most critical, with exports paying for only 17 per cent of imports. A favourable balance of trade with the sterling area was maintained, although exports to that area fell by almost 30 per cent of the previous year's value. Trade with the sterling area and the EPU countries taken together came very close to balance—Paris, March 18.

GREECE

Trade Balances Improved—According to trade figures just released by the Greek Ministry of Commerce, Greece's foreign trade gap narrowed during 1952 because of a decrease in merchandise imports and an increase in exports. The net foreign trade balance during 1952 stood at $226·4 million, as compared with $296·7 in 1951. Total imports for 1952 amounted to $346·3 million, as contrasted with $398·3 in 1951. Exports, on the other hand, increased slightly, reaching $119·9 million as compared with $101·6 million in the previous year—Athens, March 20.

JAMAICA

Foreign Investments—Foreign investment in Jamaica under "approved status" can in future be repatriated in full, including any capital gain, it has been announced. Application for approved status is granted by the authorities on the basis of whether the investment will be a dollar earner, a dollar saver, or provide the colony with some economic benefit.

If an investment is not given approved status, only dividends may be repatriated (to the country from which the investment comes). Should the investment be liquidated, accruing funds are placed in a blocked account. However, such funds need not be left dormant but may, for example, be used to buy local securities, etc.—Kingston, March 20.

NEW ZEALAND

Bridge Project—The long anticipated building of a bridge to link the city of Auckland proper with the so-called North Shore residential area received a severe setback when the raising of a £4 million sterling loan was not permitted. The total cost of the bridge will be about $30 million, and it is possible that an attempt will be made to interest Canadian investment capital and engineering skill in the project—Wellington, March 25.

PHILIPPINES

No New Dollar Quotas—The Import Control Commission has announced that there is no dollar allocation for persons applying to import for the first time in 1953. The total dollar allotment for the first half of 1953 is one-half of actual quotas granted to all importers in 1952—Manila, March 10.

THAILAND

Powerful New Transmitter—A new RCA 50-thousand-watt radio transmitter will be in operation in Bangkok in July. Engineers claim that Radio Bangkok, a government-owned enterprise, will be able to beam broadcasts to Europe and North America, but because signals will have to "bounce" three times between the earth's surface and the heavyside layer, reception in Canada will not always be good. The call letters are KSK9—Singapore, March 6.

UNITED STATES

Consumers' Price Index—The U.S. Bureau of Labor Statistics has issued a new consumers' price index, popularly known as the cost-of-living index, compiled after a three-year survey of consumer prices and spending patterns. The index includes 300 items, ranging from cigarettes to surgery, and represents the "market basket" of goods and services which families of wage earners and clerical workers must buy to maintain their living standards. The previous cost-of-living index included 225 items and was measured by price sampling in 34 large cities. The new index expands the number of items to 300 by adding TV sets, frozen and other foods, and a number of items which are now considered necessities in the clothing, furniture, and other goods and services fields.

The price sampling for the new index was made in 46 towns and cities, including some small representative towns and communities with populations as low as 2,500. The survey showed that the average U.S. family spent 30·1 per cent of its total expenditures for food; 32 per cent for housing; 9·7 per cent for clothes; 11 per cent for transportation; 4·7 per cent for medical care; 2·1 per cent for personal care (such as toilet articles); many other small percentage items; 5·4 per cent on reading and recreation, including TV, and 5 per cent for other goods and services, including tobacco, alcoholic beverages, legal services and burial expenses—Washington, March 19.

Meeting in Indonesia

Several weeks ago, the Economic Commission for Asia and the Far East held its ninth session at Bandung, Indonesia. Here is a brief report from the Canadian observer.

MANILA—Sharp fluctuations in commodity prices, with their disruptive economic effects; the progress of development projects in many countries; the need for increased outside aid in carrying out these projects —these were among the main topics discussed at the ninth session of the Economic Commission for Asia and the Far East (ECAFE). The meeting-place was Bandung, Indonesia; the time, February 1953. Representatives from 21 different countries attended and Canada, several of the UN agencies, and certain non-governmental organizations sent observers.

• Stabilizing the Eastern Economy

Among the many constructive discussions, the most important centred around the topic "the economic situation in Asia". Background material for this discussion was provided in the United Nations' *Economic Survey of Asia and the Far East* for 1951 and 1952, and nearly all the countries agreed with the findings of the UN survey.

Delegates felt concern over the rise and fall in commodity prices. Recent declines in these prices had, they pointed out, affected adversely the terms of trade, national income, balance of payments and foreign exchange reserves in many countries. They also agreed on the need for measures designed to bring about greater stability in commodity prices. In general, the objective should be, the Commission decided, an economy in which the prices of capital goods and other manufactured articles bear an adequate, just and equitable relation to the prices of primary commodities.

The Commission recognized the effect of the changes in the level of economic activity in the United States on the rest of the world. They expressed the hope that the U.S. would continue to consider the needs and aspirations of the Asian and Far Eastern countries, as well as its own enlightened self-interest, in formulating its economic policies.

A discussion of the problems of economic reconstruction and development brought out promising reports on agricultural and industrial progress in many areas. Several of these countries had drawn up and were implementing integrated development plans, in which increased production of food products occupied a key position. On the other hand, some felt anxious about the possibility of being forced to curtail development because of diminished financial resources. The Commission emphasized the need for more external assistance in this region. It also rejected the view that foreign capital is essentially exploitative.

Representatives showed great interest in the establishment of an international finance corporation and of a special fund for grants-in-aid and

low interest, long-term loans. They also applauded the proposal to set up in London a Commonwealth Finance Corporation to further development in Commonwealth countries.

● Inland Transport

The Inland Transport Committee reported that railway operating and signalling officers throughout the region had carried out a successful group study tour. They also reported progress on the setting up of a railway training centre at Lahore, Pakistan. They recommended to the Commission that:

1. A standard manual of instruction for automobile drivers and mechanics be completed by the end of 1953. The International Labor Organization has agreed, in principle, to prepare this.

2. A study of the co-ordination of the various means of transport be included in the program of work suggested by the committee.

● Industry and Trade

The useful work done by this committee was commented upon by the Commission. It expressed the view that the working party on "financing international development in Asia" should study closely fiscal and financial measures for economic development and specifically taxation problems. The Commission also requested the ECAFE Secretariat to continue its consultations with governments and with the Colombo Plan Consultative Committee, to develop acceptable techniques for the presentation of data in this field.

● Bureau of Flood Control

The Commission commended the Bureau of Flood Control for its useful work on multi-purpose river basin development. It approved the organization of a training centre on water resources development and the holding of a regional technical conference on water resources development next year. The proposed group visit of experts to Europe and America to study water resources development technique was considered most important.

● Reports on Specialized Agencies

Reports submitted by the Food and Agricultural Organization and the International Labour Organization and a memorandum from UNESCO were reviewed by the Commission. A number of delegations expressed pleasure over the establishment of a joint ECAFE/FAO Agriculture Division at the ECAFE headquarters and gratitude for the co-operation they had received from the specialized agencies.

The report submitted by FAO indicated that, because food production constitutes a large part of the economic activities in the ECAFE region, and because in some countries agriculture is responsible for 40 to 65 per cent of the national income, it must be given a prominent position in any national program of economic development. There has, of course, been some increase in agricultural output but not enough, and FAO is giving every possible assistance in this work.

—W. D. WALLACE
Vice-Consul of Canada and Assistant Trade Commissioner

Credit Conditions in the Commonwealth

TRADING WITH THE MANY DOMINIONS, territories, and colonies that comprise the British Commonwealth is still a relatively secure experience amid the complex commercial uncertainties that characterize international trade today. The most comforting aspect of trade with the Commonwealth is the freedom from conversion problems. Despite the acute dollar shortage in the sterling area, the rule that a valid import licence guarantees covering foreign exchange has remained inviolate. The high commercial morality of British traders and the unimpeachable financial respectability of the exchange control mechanism have together built a reputation for responsible behaviour in dealing with foreign credit.

Credit and collection conditions are not identical throughout the Commonwealth. The operating rules of the sterling area, however, shape the exchange conditions that generally prevail. Canada is the only part of the Commonwealth which does not adhere to the sterling area. The Union of South Africa is the only member of the sterling area that does not depend fully on the central dollar pool for its supplies of hard currency. A mutual understanding among the Commonwealth members requires them to turn over their gold and hard currency earnings to the central dollar pool and draw out according to their needs, on the basis of flexible quotas. The resources of the dollar pool have often been strained but exchange commitments have always been met.

Effect of Import Licensing

Each country, colony or territory within the Commonwealth controls its own import licensing system, in conformity with the exchange potential allowed. In some instances, modifications in the import licensing regulations have led to payment problems for Canadian exporters on in-transit or unlicensed orders. India is more prone to frequent changes of import licensing rules for particular classes of goods than other Commonwealth countries and exporters to India thus encounter difficulties more frequently. Elsewhere the changes are more likely to interrupt some traditional lines of trade in a period of dollar stringency (as in Australia, New Zealand, Pakistan and India in the past year) rather than to jeopardize payment for a particular shipment.

Position of Hong Kong

One exceptional trading colony within the Commonwealth is Hong Kong. It is a full member of the sterling area and conforms to the normal pattern for the very limited volume of imports licensed against official exchange supplies. However, most of Hong Kong's import trade is carried on through the free exchange market. A very active trading centre, Hong Kong imports a large volume of goods destined for later re-export. The law of supply and demand governs the operation of the free exchange market, which is the normal source of exchange cover for imports. This means that foreign exchange is always available, provided that the importer is prepared to pay the market price. In such an exchange market of fluctuating rates, collection delays are to be expected whenever the

rate of exchange is particularly adverse, because importers are inclined to postpone remittances until the market rate becomes more favourable. But the fairly constant stability of the exchange market in Hong Kong has generally obviated protracted transfer delays.

Monetary Policies Reflect on Credit

Deflationary monetary policies were adopted fairly generally throughout the Commonwealth in 1952. This produced a tighter supply of credit which, in certain instances, made it more difficult for buyers of imported goods to find the means to meet all collections promptly. These policies may have meant hardship for Canadian exporters in certain cases but they were sound and necessary. By creating conditions more conducive to equilibrium in balance of payments, and by denying speculative importers the opportunities to over-extend themselves, this credit tightness will build greater stability in collections.

Political Influences Slight

Political influences had no adverse effect on collections throughout the year. Disorder in Malaya has been brought under better control, creating a more reassuring business environment. The intensity of the South African domestic political differences has so far not affected the business community adversely. India and Pakistan have achieved increasing stability and administrative soundness in handling domestic matters and have, this past year, displayed a more rational and calmer mood in dealings with each other. The political circumstances are not as important as the other factors such as financial, marketing and transportation conditions in India, Pakistan and Malaya, which are making for greater uncertainty in collections, with traditionally more cautious terms of sale to these markets.

Collection Experience

The Export Credits Insurance Corporation, which has had experience with a representative share of collections in the various Commonwealth countries, reports that in 1952 none of these countries or territories produced any serious collection problems. The Corporation's records show only a fairly small percentage of delayed payments from Australia, Ceylon, Rhodesia and South Africa. Experience with the British West Indies is reported as particularly good, considering the high volume of trade insured to this very important market.

The table below summarizes experience in 1952 and gives the outlook for 1953.

Country	*Business conditions and collections*	*Economic change in year*	*1953 Prospects*
Australia	good	greater stability	better
British West Indies	good	no change	satisfactory
East Africa	fairly good	no change	satisfactory
Ceylon	fairly good	more difficult	uncertain
Hong Kong	fair	more difficult	uncertain
India	fairly good	improvement	better
Malaya	fair	weaker	fair
New Zealand	good	greater stability	good
Pakistan	fair	weaker	uncertain
Rhodesia	good	no change	satisfactory
Union of South Africa	good	improvement	good
United Kingdom	good	improvement	good
West Africa	fairly good	no change	satisfactory

TRADE AND TARIFF REGULATIONS

BENELUX

Customs Tariff Amended—The customs tariff of Belgium, the Netherlands and Luxembourg has been amended by virtue of a Belgian decree dated March 19, 1953, and by a corresponding Netherlands measure. The amendments consist of decreases and increases in some rates of duty and changes in the wording of certain tariff items.

In the items of interest to Canadian exporters, the following changes came into force on April 1:

	New Rate (in per cent)	Old Rate
Butyl alcohol	Exempt	8
Strands of iron wire for polishing in rolls	4	15
Rough shapes for shoe lasts	6	18
Valves for pneumatic tubes	6	15
Interior cable for flexible conveyors	6	12
Copper machine wire	4	2
Copper bars and wire	6	4
Copper sheets, simply beaten, rolled or drawn	6	5
Stratified artificial resins in plates, sheets, etc., containing paper or fabric	8	3
Copper foil other than "imitation gold"	8	6
Belt fasteners of iron or steel	12	8
Drawing pins of iron, steel or copper	15	8

In addition, the rate of duty on wire of iron or steel for specified industrial purposes will be increased from 1 to 4 per cent ad valorem effective July 1, 1953—Brussels, March 27.

Exporters may obtain information about tariff changes on individual goods from the Foreign Tariffs Division, Department of Trade and Commerce, Ottawa—Editor.

INDIA

Repatriation of Foreign Capital—In June 1950, the Government of India announced certain relaxations in the exchange restrictions on the repatriation of capital invested from non-sterling area countries in industrial projects approved by the Government of India after January 1, 1950. The announcement, however, expressly excluded appreciation in the value of the investment from the scope of the repatriation facilities, except to the extent of the profits of the investment ploughed back into the business with the approval of the Government of India. The Government has now reviewed this policy and, in order to stimulate investment of foreign capital in desirable channels, has decided to withdraw this reservation. Accordingly, the repatriation of capital from the sale proceeds of the investments made by residents of countries other than the sterling area, Norway, Sweden and Denmark will from now on be governed by the following principles:

- Capital invested after January 1, 1950, in projects approved by the Government of India may be repatriated at any time thereafter, together with any capital appreciation in the value of the investment.
- These facilities, however, will not apply to the purchase of shares on the stock exchange unless it is an integral part of an investment project approved by the Government of India after January 1, 1953—New Delhi, March 29.

Foreign Trade Service Abroad

† Indicates a change since previous publication.

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina Paraguay Uruguay	C. S. Bissett, Commercial Counsellor †Acting, Agricultural Secretary	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	C. M. Croft, Commercial Counsellor for Canada	City Mutual Life Building, 60 Hunter Street, SYDNEY	*Mail:* P.O. Box 3952 G.P.O. *Cable:* CANADIAN *Tel.:* BW 9351
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada and Agricultural Secretary	83 William Street, MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	W. Gibson-Smith, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE	*Mail:* Boîte Postale 373 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 11-33-88
Brazil	C. R. Gallow, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165, RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	C. J. Van Tighem, Consul of Canada and Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
Ceylon	Paul Sykes, Canadian Government Trade Commissioner	Galle Face Hotel, COLOMBO	*Mail:* P.O. Box 1006 *Cable:* CANADIAN *Tel.:* 5876
Chile	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	W. J. Millyard, †Commercial Secretary	†Canadian Embassy Calle 19, No. 6-39, BOGOTA	*Mail:* Apartado 1618 *Airmail:* Apartado Aero 3562 *Cable:* CANADIAN *Tel.:* 12-251
Cuba	A. W. Evans, Commercial Secretary	Canadian Embassy, Edificio Motor Centre, Calle Infanta 16, HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Dominican Republic Haiti, Puerto Rico	R. E. Gravel, Canadian Government Trade Commissioner	Edificio Copello 410, Calle El Conde, CIUDAD TRUJILLO	*Mail:* Apartado 451 *Cable:* CANADIAN *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Jordan, Saudi Arabia	Acting Canadian Government Trade Commissioner	Osiris Building, Sharia Walda, Kasr-el-Doubara, CAIRO	*Mail:* P.O. Box 1770 *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	R. G. C. Smith, Commercial Counsellor for Canada	3 rue Scribe, PARIS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor	Canadian Embassy, 22 Zitelmannstrasse, BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 38927
Germany	Wm. Van Vliet, Agricultural Secretary		

Territory	Officer	City Address	Mail and Cables, Office Telephone
reece Israel, Turkey	H. W. Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 72-853
uatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner	28, 5a Avenida Sud, GUATEMALA CITY	*Mail:* P.O. Box 400 *Cable:* CANADIAN *Tel.:* 5590
ong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
idia	Richard Grew, Commercial Counsellor	Office of the High Commissioner for Canada, 4 Aurangzeb Road, NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
dia Burma	B. I. Rankin, Commercial Secretary for Canada	Gresham Assurance House, Mint Road, BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 20672
eland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
aly Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor	Canadian Embassy, Via Saverio Mercadante 15, ROME	*Mail:* (City Address) *Cable:* CANADIAN †*Tel.:* 846-842
aly	C. F. Wilson, Agricultural Counsellor		
aly	M. S. Strong, Commercial Secretary (Fisheries)		
maica Bahamas, British Honduras	M. B. Palmer, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858
maica	E. M. Gosse, Canadian Trade Commissioner (Fisheries)		
pan Korea	J. C. Britton, Commercial Counsellor	Canadian Embassy TOKYO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 48-4116
banon Iraq, Syria	G. F. G. Hughes, Canadian Government Trade Commissioner	Centre Urbain Emir Beshir, Bâtiment A1, Rue Emir Beshir, L'Azarieh, BEIRUT	*Mail:* Boîte Postale 2300 *Cable:* CANADIAN
exico	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D.F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 36-27-90
etherlands	J. A. Langley, Commercial Counsellor	Canadian Embassy, Sophialaan 1-A, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
etherlands Belgium, Denmark, Luxembourg	Acting Agricultural Secretary		
w Zealand Fiji, Western Samoa	L. S. Glass Commercial Secretary	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
rway Denmark, Greenland	J. L. Mutter, Commercial Secretary	Canadian Legation, Fridtjof Nansens Plass 5, OSLO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-30-80
kistan Afghanistan, Iran	A. P. Bissonnet, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	†*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 5826

Territory	Officer	City Address	Mail and Cables, Office Telephone
Peru Bolivia	H. J. Horne, Acting Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 71950
Philippines	F. H. Palmer, Consul General of Canada and Trade Commissioner	†Ayala Building, Juan Luna Street, MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48—1°D., LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Singapore Brunei, Federation of Malaya, Indonesia, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room D-5, Union Building, SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 7739
South Africa (Natal, Transvaal) Southern Rhodesia, Northern Rhodesia, Nyasaland, Mozambique, Kenya, Tanganyika, Uganda, Zanzibar	C. B. Birkett, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar	K. F. Noble, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	E. H. Maguire, Canadian Government Trade Commissioner	70 Avenida Jose Antonio, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 21-28-32
Sweden Finland	F. W. Fraser, Commercial Counsellor	†Canadian Embassy Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	Yves Lamontagne, Commercial Counsellor	Canadian Legation, Thunstrasse 95, BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-59-17
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	†P. V. McLane Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 4787
United Kingdom (South of England, East Anglia, Scotland), Iceland, British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor R. Campbell Smith, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701
United Kingdom	D. A. B. Marshall, Commercial Secretary (Agricultural)		
United Kingdom	R. D. Roe, Commercial Secretary (Timber)		*Cable:* TIMCOM

Territory	Officer	City Address	Mail and Cables, Office Telephone
United Kingdom (Midlands, North England, Wales)	M. J. Vechsler, Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	J. H. English, Commercial Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W., WASHINGTON, 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN †*Tel.:* DEcatur 2-1011
United States	Dr. W. C. Hopper, Agricultural Counsellor		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda	A. E. Bryan, Deputy Consul General of Canada and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States	M. B. Bursey, Consul of Canada and Trade Commissioner (Fisheries)		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	G. S. Patterson, Consul General of Canada	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	D. S. Cole, Consul General of Canada	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, CHICAGO 6	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* STate 2-7312
United States (Michigan, Ohio)	B. C. Butler, Consul of Canada and Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT, 26	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* WOodward 5-2811
United States (City of Los Angeles, Southern California, Arizona)	V. E. Duclos, Canadian Government Trade Commissioner	510 West Sixth Street, LOS ANGELES 14	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* VAndike 7114
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	G. A. Newman, Consul of Canada and Trade Commissioner	Canadian Consulate, 201 International Trade Mart, NEW ORLEANS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
United States (Northern California, Montana, Oregon, Idaho, Washington, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	Acting Consul General of Canada	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* SUtter 1-3039
Venezuela Netherlands Antilles	J. A. Stiles, †Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, CARACAS	*Mail:* Apartado 3306 *Cable:* CANADIAN *Tel.:* 55818
Venezuela Colombia	†Acting Agricultural Secretary		

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalents multiply by 1·01976.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. April 1*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1307	
		Basic buying	·1961	(1)
		Preferential selling	·1961	
		Basic selling	·1307	
		Free	·0706	
Austria	Schilling		·04590	
Australia	Pound		2·2075	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01956	
Bolivia	Boliviano	Official	·01634	tax 5% (1)
		Differential	·00976	tax 3% (2)
British West Indies	Dollar		·5749	(3)
	Pound		2·7594	(4)
	Dollar	Brit. Honduras	·6898	
Brazil	Cruzeiro	Official	·05300	tax 8% (2)
		Free	·02066	
Burma	Kyat		·2069	
Ceylon	Rupee		·2069	
Chile	Peso	Official	·03158	(1)
		Commercial	·01633	
		Free	·00891	
Colombia	Peso	Basic	·3922	tax 3% (2)
		Coffee buying	·4245	
Costa Rica	Colon	Official	·1750	(5)
		Free	·1471	*Feb. 16
Cuba	Peso		·9806	tax 2%
Czechoslovakia	Koruna		·01961	
Denmark	Krone		·1420	
Dominican Republic	Peso		·9806	
Ecuador	Sucre	Official	·06538	(6)
		Free	·05675	
Egypt	Pound		2·8159	
Fiji	Pound		2·4859	
Finland	Markka		·00426	
France	Franc		·00280	
French Africa	Franc		·00561	
French Pacific	Franc		·01542	
Germany	D Mark		·2335	
Greece	Drachma		·000065	
Guatemala	Quetzal		·9806	
Haiti	Gourde		·1961	
Honduras	Lempira		·4903	
Hong Kong	Dollar	Free	·1636	*March 20
Iceland	Krona	Official	·06021	
		Special buying	·04631	
		Special selling	·03762	
India	Rupee		·2069	
Indonesia	Rupiah	Basic	·08602	(7)
		Dollar certificate	·00204	*Feb. 16

* Latest available quotation date.

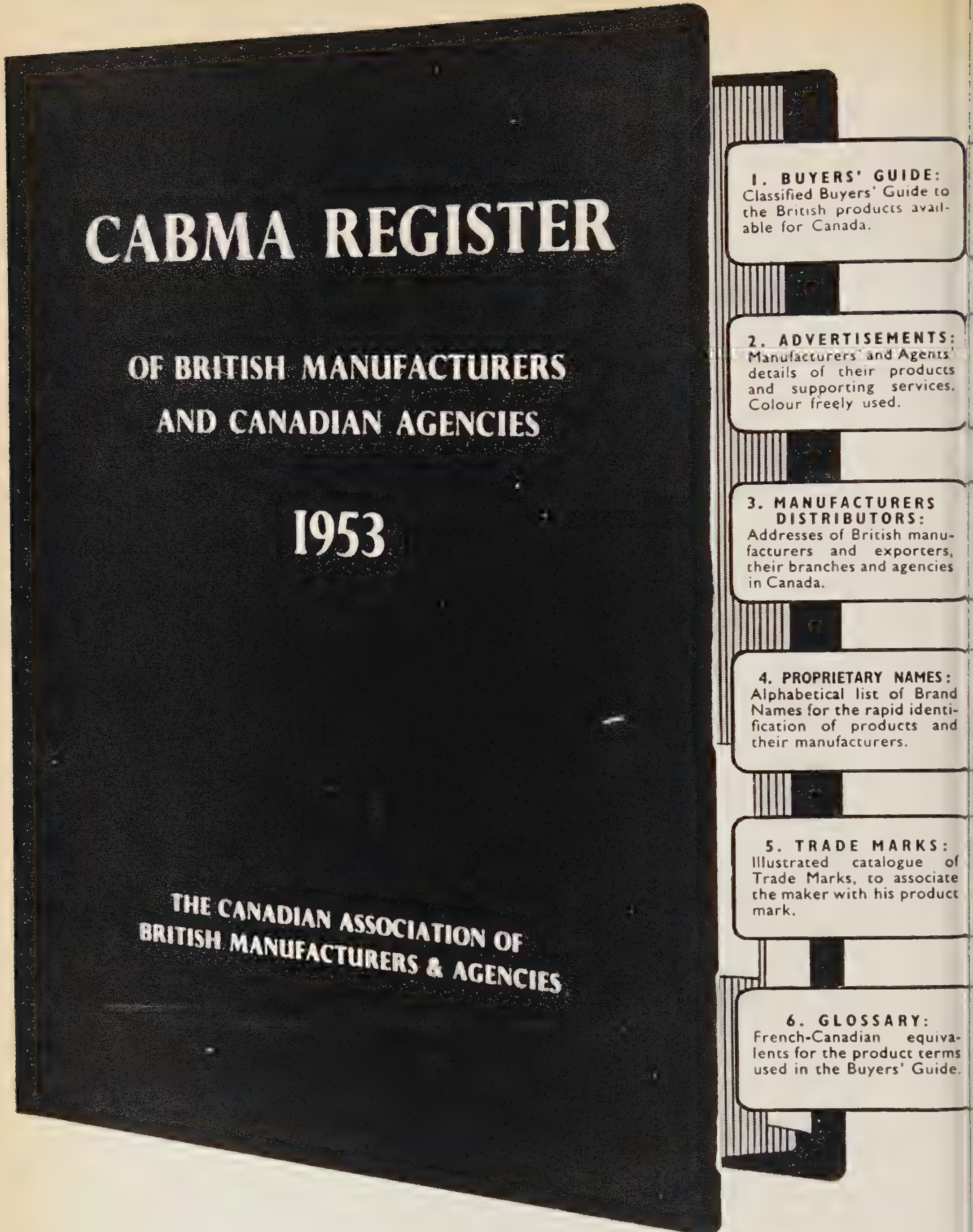
Country	Unit	Type of Exchange	Canadian dollar equiv. April 1	Notes (See below)
Iran	Rial	Certificate I	01079	*March 11
		Certificate II	·01076	*March 11
Iraq	Dinar		2·7594	
Ireland	Pound		2·7594	
Israel	Pound	Basic	2·7457	
		Special	1·3729	
		Investment	·9806	
Italy	Lira		·00157	
Japan	Yen		·00272	
Lebanon	Pound	Free	·2701	*
Mexico	Peso		·1134	
Netherlands	Guilder		·2581	
Netherlands Antilles	Guilder		·5200	
New Zealand	Pound		2·7594	
Nicaragua	Cordoba	Effective buying	·1486	(8)
		Official Selling	·1391	
		With Surcharge I	·1218	
		With Surcharge II	·09757	
Norway	Krone		·1373	
Pakistan	Rupee		·2964	
Panama	Balboa		·9806	
Paraguay	Guarani	Basic	·06538	(1)
		With Surcharge I	·04669	(9)
		With Surcharge II	·03268	
Peru	Sol	Certificate	·06164	
Philippines	Peso		·4903	tax 17% (2)
Portugal	Escudo		·03418	
El Salvador	Colon		·3922	
Singapore & Malaya	Straits dollar		·3219	
South Africa (Union of)	Pound		2·7594	
Spain & Dependencies	Peseta	Basic buying	·04478	
		Basic selling	·08739	(1)
		Basic commercial selling	·05970	
		Free	·02489	
Sweden	Krona		·1896	
Switzerland	Franc		·2287	
Syria	Pound	Free	·2628	*Feb. 16
Thailand	Baht	Official	·07845	(1)
		Free	·05709	*Jan. 30
Turkey	Lira		·3502	
United Kingdom	Pound		2·7594	
United States	Dollar		·9806	
Uruguay	Peso	Official	·6456	
		Basic buying	·5509	
		Special buying	·4173	(1)
		Basic selling	·5161	
		Special selling	·4002	
Venezuela	Bolivar		·2927	(10)
Yugoslavia	Dinar		·00327	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective rate for all Indonesian dollar exports is basic rate plus 70 per cent of dollar certificate rate. Exchange rate for other than essential imports is basic rate plus 33⅓ per cent, 100 per cent or 200 per cent, depending on the import category of the product. Cost of dollar imports is increased by full amount of dollar certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to all Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.


CABMA REGISTER
OF BRITISH MANUFACTURERS
AND CANADIAN AGENCIES
1953
THE CANADIAN ASSOCIATION OF
BRITISH MANUFACTURERS & AGENCIES
1. BUYERS' GUIDE: Classified Buyers' Guide to the British products available for Canada.
2. ADVERTISEMENTS: Manufacturers' and Agents' details of their products and supporting services. Colour freely used.
3. MANUFACTURERS DISTRIBUTORS: Addresses of British manufacturers and exporters, their branches and agencies in Canada.
4. PROPRIETARY NAMES: Alphabetical list of Brand Names for the rapid identification of products and their manufacturers.
5. TRADE MARKS: Illustrated catalogue of Trade Marks, to associate the maker with his product mark.
6. GLOSSARY: French-Canadian equivalents for the product terms used in the Buyers' Guide.

foreign trade

APRIL 18, 1953

Dollars Underfoot (see page 2)

foreign trade

VOL. 13 OTTAWA, APRIL 18, 1953 NO. 329

VER . . . This Kashmiri
sman working on a hand-
e rug is practising a cot-
craft that dates back to
5th century. In the past
years, North American
of Indian rugs and car-
have soared, bringing
badly needed dollars.
story on page two.)

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

India: Dollars Underfoot

Featured in the extensive displays of the Government of India at the coming Trade Fair in Toronto will be handmade Indian carpets and rugs. Here is the story of this industry.

BOMBAY—Carpets, rugs and druggets, largely handmade in thousands of India's cottage homes, are finding a ready market in dollar countries. In 1951-52, Canada imported Indian floor coverings to a value of \$1·34 million, and the United States to a value of \$1·33 million. This represented a 100 per cent gain in sales to both countries, compared with the previous year.

Postwar Sales Soar

Since the war, Indian-made carpets have chalked up phenomenal sales increases in many countries. In 1942-43, exports of carpets were valued at Rs.3,035,000 (about \$608 thousand). By 1946, value of carpet exports had risen to Rs.47,500,000 (about \$9,500,000). Unfortunately, at this point numerous fly-by-night exporters entered the trade and large quantities of floor coverings of unsuitable quality, dyes or designs were sold abroad. For a time this gave Indian floor coverings a bad name in foreign markets and sales declined in 1949-50 to about half the 1946-47 figure.

At this point the Indian Standards Institution came to the rescue by introducing standards for export. Unscrupulous traders were gradually eliminated and exports of Indian carpets again rose—to an all-time high in 1951-52 of Rs.58,846,979/– (\$11·7 million).

The United Kingdom remains by far the largest single customer for Indian carpets and rugs. The following table shows exports by countries:

Exports of Carpets and Rugs

(twelve months, April to March)

	1949-50	1950-51 (in rupees)	1951-52
To United Kingdom	23,858,184	45,462,249	38,523,851
" Canada	4,068,282	3,385,279	6,720,554
" U.S.	1,946,825	3,203,826	6,664,805
" Australia	444,920	31,475	2,494,287
" other countries	2,754,474	2,148,365	4,443,482
Total	33,072,685	55,631,194	58,846,979

Carpet manufacturing is primarily a cottage industry. The dealers secure mill-spun or hand-spun woollen yarn, dye it in their factories, and then issue the yarn to the artisans, together with jute twine, cotton yarn and the pattern (usually called the "Talim") on a graph paper. The artisan then manufactures the carpet in his cottage with the help of his family, including his children. The finished carpet is returned to the dealer, who generally pays the artisan Rs.3 to Rs.5 per yard (about 60 cents to \$1.00).

The quality of a carpet depends on the number of knots per square inch. Indian carpets woven at various centres range from coarse quality, containing 3 x 3 equals 9 knots to the square inch, to the finest containing 20 x 20 equals 400 knots to the square inch.

Pulled wools are largely used for the preparation of ordinary carpets and some better types are made from imported foreign yarns. Local wool-growing areas include the Punjab, Rajasthan and Madhya Bharat, and Bikaner wool is considered superior for carpet-making. Tibetan raw wools reaching Kalimpong in West Bengal by mule caravans are spun into yarn on hand spindles, dyed with extracts from barks and fruits, and then woven into carpets of Tibetan design.

Previously vegetable dyes were generally used but today aniline dyes are taking their place. Many of the larger producers have their own dyeing units attached to their workshops and there the yarn is dyed before being distributed to the affiliated cottage workers. Many smaller units are not well maintained and dyes vary considerably. Moreover, part-time manufacturers from the agricultural community use non-standard dyes or purchase dyed yarn from small merchants who do not use standard dyes.

Leading Carpet Centres

The industry is primarily located at Mirzapur and Bhadohi in Uttar Pradesh, Ellore and Musalipattam districts in Madras State, Amritsar district in Punjab, Srinagar in Kashmir and Kalimpong in West Bengal.

Mirzapur and Bhadohi are the most important centres with about 30 firms, including three European-owned ones, engaged in the carpet business. With a single exception, none of these firms manufactures carpets although most of them do their own dyeing, finishing and embossing. These areas account for approximately 50 per cent of the total Indian export trade in carpets and the three European firms are responsible for about half of this.

Srinagar in Kashmir is best-known for its colourful floral designs in carpets and for the "Numbdas" pressed wool rugs. Ellore and Musalipattam have a wide reputation for pile carpets of Persian design and druggets of modern design, and in Mysore there are two large and five small factories using 250 looms for drugget weaving.

Wide Variation in Quality

Because the making of carpets in India is essentially a cottage industry, there is a wide variation in quality of materials, dyes and designs. Buyers should specify the types required and outline the sizes, knots per square inch, quality of wool, dyes, cotton backing (jute backing is frequently used on cheaper types) percentage of admixture of goat's hair or other materials. Samples of colours and combinations of colours offered should be checked carefully, because those used locally may not suit overseas tastes. Similarly design is important. Many are copied from old Persian designs and others, created especially to appeal to foreign buyers, are supplied by carpet dealers abroad.

—BRUCE I. RANKIN
Commercial Secretary for Canada

72814—2

United Kingdom

The Import Pattern in '52

Imports into Britain fell by £433 million last year, with non-sterling countries bearing the brunt; purchases from the sterling area rose by £37 million.

LONDON—The pattern of the United Kingdom's import trade in 1952 bears the imprint of the intensified import restrictions which were imposed late in 1951 and enlarged in 1952. These measures were reinforced by downward production trends and by lower material prices. As a result, the value of imports, as compared with 1951, fell by £433 million to £3,481 million. This reduction concealed an actual increase of £37 million in imports from the sterling area. The loss experienced by non-sterling countries was £470 million, of which one-third was borne by OEEC countries and one-tenth by dollar countries. The volume of imports in 1952 is estimated at 9 per cent below 1951.

Raw Materials

Raw materials, representing 40 per cent of total imports, declined by 18 per cent in 1952. The main reductions were in raw cotton, raw wool, lumber, wood pulp, rubber, flax, hemp and jute. In textile materials and rubber, the contraction was caused by slackness in demand; imports of many other items were restricted by regulations.

Food, drink and tobacco, which constitute 35 per cent of imports, were 6 per cent lower in value in 1952. The heaviest falls were in tobacco, dairy produce, feeding stuffs, and fresh fruit and vegetables.

In the fully manufactured goods division, the value of imports declined by 4 per cent. Purchases from abroad of such commodities as oils and fats, paper and cardboard, textiles, chemicals, leather manufactures, etc., were deliberately restricted, but higher imports of machinery, iron and steel manufactures and non-ferrous metal manufactures, required for the rearmament program, partially counterbalanced these reductions.

Cotton and Wool

The fall in the price of raw cotton did not affect imports until the middle of the year, so that the sharp drop from £258·7 million in 1951 to £128·3 million in 1952 denotes a shrinkage in the physical volume of supplies.

Raw wool imports (£177·2 million) cost 35 per cent less than in 1951 but the quantity delivered was 38 per cent greater. Arrivals of raw jute (£13·7 million) and of raw hemp (also £13·7 million) both

—U.K. Information Office.

British wool buyers examine fleeces with a critical eye before attending the auction sales. Last year, U.K. imports of raw wool were 38 per cent greater but cost, at £177·2 million, 35 per cent less than in 1951.

decreased in value by 20 per cent and this was accompanied in each case by lower quantities. Flax imports (£8·6 million) fell by 20 per cent, but the quantities were higher.

Lower rubber prices in 1952 were reflected in the fall of 35 per cent in the value of crude rubber imports (£103·3 million). The quantity also fell.

Hide and skin imports (£40·5 million) dropped 41 per cent, side by side with a contraction in volume. Within the group, raw fur skins (other than rabbit), valued at £19·6 million, declined by 13 per cent. The weight of these pelts, which are mainly destined for re-export, declined by 7 per cent.

The Oils Group

The group "seeds and nuts for oil, fats, resins and gums" was one of the few which registered an increase in 1952, with imports (£406·4 million) up by 15 per cent. Imports of linseed oil, unrefined palm oil, sunflower seed oil, tung oil, and cottonseed oil fell substantially. This same tendency was apparent in fish oils. By contrast, the value of crude petroleum bought in 1952 (£238·9 million) went up by 5 per cent. This was required to feed the new refineries. Sterling area sources of supply were developed noticeably during the year.

The value of 1952 imports of iron ore and scrap (£73·5 million), expanded by nearly 60 per cent and this was translated directly into a larger steel production. In addition, the United Kingdom imported 2·4 million tons of finished iron and steel worth £126 million—nearly three times as much as in 1951. The biggest tonnage (579 thousand tons) came from the United States, but Canada provided 175 thousand tons.

There was a more modest rise of 18 per cent in purchases overseas of non-ferrous ores and scrap (£92·6 million) and of 24 per cent in non-ferrous metals and manufactures (£207·4 million). The only items which showed important reductions were lead and tin; imports of aluminum, copper, nickel, silicon and zinc increased.

Fully-Manufactured Goods

The outstanding features of the import trade in fully-manufactured products were the compulsory cuts in non-essentials and the planned increase in imports of machinery.

Imports of cotton were reduced by 36 per cent to £40·5 million. Woollen imports, which in 1951 cost £30·3 million, dropped to £8·5 million, and the value of silk and artificial silk products in 1952 (£9 million) was only about one-third the '51 total. Manufactures of jute, hemp and flax (£24·4 million) were scaled down by 44 per cent and apparel (£8 million) by 25 per cent.

In the "chemicals, drugs, dyes and colours" classification, imports fell by 35 per cent to £42 million, and the value of leather brought in declined to £12·8 million, as compared with £24·6 million in 1951.

The same story can be told of pottery and glassware, imports of which fell by 45 per cent to £5·1 million; oils and fats, by 34 per cent to £103 million; paper and cardboard by 48 per cent to £43·9 million; plastic materials by 22 per cent to £6·1 million, and toys by 45 per cent to £795 thousand.

In machinery, the position was reversed. Imports in 1952 (£108·6 million) were almost double those of 1951 (£54·9 million). Of this, the United States supplied the bulk (£45 million) followed by Germany (£24 million). More than half the imports consisted of machine tools, the value of which alone (£59 million) was nearly four times the 1951 figure.

—R. P. Bower
Commercial Counsellor for Canada

HOLSTEINS FETCH TOP PRICES

Two Canadian bulls brought $9,000 each in the sales ring recently, when the Romandale Holstein herd at King, Ontario, was auctioned off. One bull, Revelation, went to a Buenos Aires buyer who also purchased five other head, including the top female for $3,600; the other was brought by a Pennsylvania bidder. The $9,000 represented the highest individual price since the fall of 1951 and the general average price of $784 the highest at a Holstein dispersal sale since 1950. Three head went to a Colombian cattle raiser, two to a Mexican and three to an American. Canadian buyers included the Essex Cattle Breeding Association which paid $3,000 for a year-old son of Revelation. The 64 head sold realized a total of $50,225.

Cuba

Sugar Keys the Economy

. . . and the lower prices for this important crop, the surplus on hand, and the restrictions on production make this a difficult year for Cuba.

HAVANA—A sugar surplus of more than two million long tons,* restricted sugar production in 1953, and lower sugar prices have caused a minor slump in Cuba's economy. Although conditions are far from depressed, the country faces a difficult year. The sugar industry is Cuba's largest employer, and the effect that lower sugar earnings will have on the economy is clear when we realize that the industry's income for 1953 is estimated at only $480 million, compared with $660 million in 1952.

Exports and Imports Drop

Lower sugar prices, as a further example, resulted in a 12 per cent drop in the value of exports for the first ten months of 1952—$593 million compared with $677 million in 1951. This trend is said to be continuing. In addition, the volume of sugar exports dropped from 5,281,088 long tons in 1951 to 4,859,984 long tons in 1952.

Imports for the first eight months of 1952 dropped by only 5 per cent to a total of $423 million as against $444 million in 1951.

Canada's trade with Cuba has increased steadily since the end of the war. The major part of this year's rise came from Canadian wheat exports to the new Cuban flour mill. Exports to Cuba in 1952 amounted to over $24 million as compared with $20,423,930 in 1951. The principal items were wheat flour, wheat, newsprint, dried salted codfish, brewer's malt, copper wire, machinery and parts, and seed potatoes.

Cuban exports to Canada showed an appreciable gain in 1952—$18·6 million as against $8·3 million for 1951. Sugar was the principal product exported to Canada, but shipments of tire cord and rayon staple fibre were also sizable.

Report on Agriculture

Sugar—Satisfactory weather conditions and the large area under cultivation could have meant a sugar crop surpassing last year's all-time record. However, the Government's desire to maintain world prices led them to restrict this year's crop to five million Spanish long tons. Because of this restriction and the lack of substantial new plantings this year, the 1954 crop will probably total only 5½ million tons—even if no restrictions are enforced in that year.

---

* One Spanish long ton=approximately 2,271 English lb.

Rice—Rice growing is the most interesting feature of the Cuban agricultural economy today. Production for the 1952-1953 crop year is estimated at 1·8 million quintals (one quintal equals 101 lb.) as against 1½ million quintals for the 1951-52 crop year. The high prices for rice and Cuba's per capita consumption of 112 lb. a year make this the fastest growing industry in the country. A further production increase of about 40 per cent is estimated for the 1953-54 crop year.

Tobacco—The tobacco crop appears to be of a higher quality than last year's. The harvest is now in progress and, although acreage under cultivation is about the same, the yield may be 10 to 20 per cent greater than last year's 75 million pounds.

Pineapples—Pineapple production will be down from last year. The industry appears to be suffering a decline because of the low prices on the United States market, the biggest outlet for the fruit in all forms.

Citrus—The citrus crop will be somewhat lower than the previous year because of unsatisfactory growing conditions.

Cattle—A recent census of the cattle industry shows a steadily decreasing number of beef cattle on the range, although the dairy business is thriving. With the ceiling price to the grower of 13½ cents per 100 lb. there is no supplementary feeding of beef cattle to maintain a year-round supply for the consumer. Because of this, the supply of beef is always seriously short during the dry season, which is now under way. Last year, meat was imported under subsidy to sell at local ceiling prices, but similar action is unlikely this year. As a result there will be a grave shortage of meat of any kind between the first of March and the end of June.

Business Conditions

There has been little industrial development during the past six months. However, an American automobile company recently opened a plant to undertake some assembly operations.

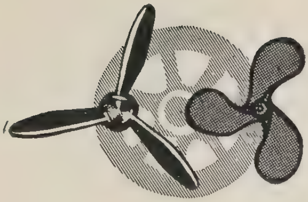
Government revenues have been most satisfactory during the past six months, but some reversal in this trend is expected because of decreasing exports and imports and the generally lower level of the entire economy. More money was in circulation than during the previous year and bank loans set a record. Bank clearings for 1952 hit an all-time record of $4·7 billion, compared with $4·1 billion in 1951. Bank collections are slow and accounts receivable are too high in many cases, but most inventories are at manageable levels.

Private construction has recovered slightly from its slump but is still low; public works continue to dwindle from lack of funds.

The Future

Cuba faces a most difficult period of adjustment to a lower key, but at the present time the situation is well in hand. Business has responded to the warning signals and, because caution has been exercised, is in a reasonably strong position. The key to the whole situation is, of course, the price of sugar. The success or failure of an international sugar agreement this year will have a major impact on the economy.

—A. W. Evans
Commercial Secretary for Canada



TRANSPORTATION NOTES

The Swedish Transport Industries

STOCKHOLM—The transport industries have an important place in Sweden's economic life. Road and rail transport employ some 284 thousand workers, 8·3 per cent of the population, and consume 15 per cent of the solid and liquid fuel and about 7 per cent of the electric power output. Value of passenger and goods traffic reaches about 3,500 million kronor a year, with the railways accounting for 25 per cent of this and motor traffic for 65 per cent.

Railways and Rolling Stock

The first railway in Sweden, for goods traffic, was opened in 1850, using imported rolling stock. By 1877, however, Swedish industry was able to supply all the needs of the state railways. Electrification of the railways began in 1868 and today most of the main lines are electrified. The length of railway in Sweden is estimated at 1·67 miles per 1,000 persons, compared, for instance, with 0·42 miles in Great Britain.

The principal manufactures of rolling stock are Kockums Mekaniska Verkstads AB, specializing in carriages; Nydqvist & Holm AB and AB Motala Verkstad, both specializing in engines, and the Swedish Railway Works Ltd., which manufactures about one-third of Sweden's rolling stock. The primary function of these firms is to supply the home market, but they export on a large scale and immediately after the war exports rose considerably. The principal markets for Swedish locomotives are Argentina, Brazil, Denmark, Finland, Iran, the Netherlands, Norway, Roumania, the U.S.S.R. and Turkey.

Rail Buses

Rail buses, run by both electric power and diesel engines, are replacing trains in increasing numbers, particularly on the smaller, non-electrified lines. This form of communication has improved transport to remote districts. The rail buses in use today have a maximum speed of 72 miles an hour and accommodate 53 seated and 40 standing passengers. They are all-welded, have a total weight of 17½ tons, and crash-proof reinforcements at both ends. Air-conditioning and heat and sound insulation make for comfortable travelling.

Most of the highways in Sweden are still gravel but they are well kept and bus travel has developed rapidly.

Despite keen foreign competition, the Swedish motor industry has succeeded in obtaining a good share of the domestic market; today practically the entire inland network of bus lines uses Swedish-built vehicles.

72814—3½

The four principal producers are Scania-Vabis, Volvo AB, Svenska Aeroplan AB and the Swedish Railway Works. Volvo private automobiles compete successfully with foreign makes on the home market and at the beginning of the year the plant opened a new assembly works. Svenska Aeroplan AB is primarily engaged in aircraft production and it was not until 1950 that its first private automobile, the SAAB 92, was introduced to the market. The combination of aircraft and automobile production is a new phase in Swedish industry and the company's models are distinguished by their aerodynamic design.

The Swedish Railway Works have recently introduced a new type of bus, the "Condor", which is eventually to be produced in series. Bus bodies of the "Condor" type can be exported in prefabricated parts.

Despite the problem of export prices and difficult foreign exchange conditions, Swedish cars are being sold in many parts of the world, particularly Africa and South America. The market in Asia is being developed and Japan has been discussing with Svenska Aeroplan AB both direct purchases and manufacturing under licence.

Motorcycles and Bicycles

The Swedes demand motorcycles not only soundly constructed but also striking in appearance. Prices are therefore fairly high and, if the same products are exported, this sometimes becomes a problem. The three main producers in this branch are Nymanbolagen AB, Huskvarna Vapenfabriks AB, and AB Cykelfabriken Monark. The latter firm has recently signed contracts for motorcycle parts to a value of four million kronor to be delivered to the Monark branch factory in São Paulo, Brazil. This represents the first extensive export of Swedish motorcycles.

It is estimated that every second person in Sweden is a cyclist and the market for bicycles booms. There is, however, a keen interest in exports, especially to South America. The Monark branch in São Paulo, which was opened in 1948 with two employees, now has a staff of 600 and a large new factory is being constructed. Sixty per cent of Brazil's bicycles are made by Monark and production may soon be stepped up to 70 thousand cycles. Recently branch factories have been established in Peru and Colombia.

Auxiliary motors for ordinary bicycles did not become popular in Sweden until last summer, and most of these motors are imported. The Nyman Company manufactures a chain-driven type in its factories abroad and may soon produce them in its Swedish plant. The Monark Works and Huskvarna Company are also planning to market auxiliary motors.

Underground Railway

An interesting feature of Swedish transport is the Stockholm Underground, two sections of which are now in use. When the remaining link is completed—probably within the next two years —the distance between the terminals will be twenty miles. The most difficult part of the construction was the tunnel under one of the fjords, made by building a rectangular dam over part of the channel. The entire channel cannot be dammed because it forms the outlet of Lake Malaren into the Baltic.

—F. W. Fraser
Commercial Counsellor for Canada

Iceland and Its Problems

A report on this small republic of 150 thousand people—and on its postwar progress.

THE POSTWAR YEARS have witnessed a great many changes in the Republic of Iceland. In an attempt to put its economy, badly depressed during the thirties, on a more sturdy permanent basis, Iceland has undertaken many important projects, including:

- Modernization of production and processing facilities for its principal export, fisheries products. The program covers building of fish-processing plants, canneries and quick-freezing plants, and also the purchase of modern ocean-going trawlers.

- Soil drainage schemes to help raise the cultivated area to about 165 thousand acres, and greater use of fertilizers to improve agricultural yields. About one-third of the population are farmers.

- Development of hydro-electric stations and a thermal station making use of the underground hot springs.

- House-building, particularly in the capital city of Reykjavik, where the majority of the houses have been built in the last ten years.

Postwar Expansion

Iceland is a member of the sterling area, though she retains complete control over the use of her dollar earnings. Originally most of the money for this development program came from sterling balances held in the United Kingdom, the result of food sales to Great Britain during the war. But by 1948, capital expansion had nearly come to a standstill because of the need for further credit and the falling-off in sales abroad.

At this point, ECA came to the rescue and, from April 1948 to the end of 1951, provided some $27·8 million—a large sum when one remembers that Iceland's total exports in 1951 amounted to only $45 million. Most of this money was spent on modernizing the fisheries and particularly the herring processing plants. Some of it financed imports of petroleum products for the trawler fleet and such things as fertilizers and some basic foodstuffs. A direct grant to EPU helped to reduce the unfavourable balance of trade.

When this aid ended in 1952, Iceland still had problems, particularly inflation and the chronic trade deficit. But production has increased and imports of coal, food products, and certain agricultural requirements will gradually decrease.

Normally fisheries account for 90 per cent of Iceland's exports and she finds markets for her fish largely in the United Kingdom, the United States, and Europe. Because of a dispute with the United Kingdom over

the extension of Iceland's territorial waters, which began in 1950 and is still continuing, the British market fell off considerably in 1952. By the end of the year the country had a large sterling deficit and the failure of the herring catch made things still more difficult.

Some of the fish excluded from the United Kingdom was salted and, in that form, sold to the United States. However, the prospect of repeating 1951's dollar surplus in 1952 was affected adversely by a general strike which began in early December and lasted for three weeks. In 1951, exports were valued at 726·6 million kronur (about $43 million Canadian) and imports at 924 million (about $57 million Canadian). For the first eleven months of 1952, imports from all sources reached about $51 million.

Import Picture

With a population of only 150 thousand, Iceland cannot be considered a large market. Moreover, the country depends on its dollar earnings from the fish trade to buy commodities from the dollar area. Growing sales, especially of frozen fish, to the United States have helped this situation. Traditionally, the United Kingdom has supplied most of Iceland's imports but more trade is now going to the United States, which supplied about $12 million worth of goods in 1952.

Last year Canada sold to Iceland goods totalling $833 thousand, compared with about $700 thousand in 1951 and $847 thousand in 1950. Principal commodities sold to Iceland last year were wheat flour, cereals, paperboard, aluminum, copper, tires and tubes, and whisky. In return, Canada bought from Iceland about $50 thousand worth of goods in 1952, compared with $26 thousand in 1951. However, most of this increase represented non-recurring transactions.

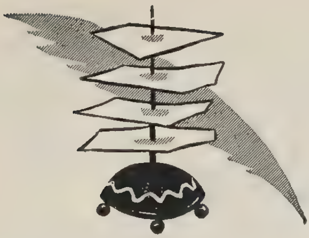
Her trade position has forced Iceland to set up an import licensing system. It includes a "free list" of essential goods which are exempt from import licence, and a "conditional free list" of less essential articles which may be imported free of government control by using 60 per cent of the dollar proceeds from exports of certain fishery products. All other goods require import licences. However, whether or not a licence is required, no goods may be imported unless payment has been made or the necessary exchange has been allocated by a private bank.

The following are included in the "free list" applicable to the dollar area: wheat and maize, flour of wheat, barley, oats and seamen's rubber boots.

The "conditional free list" includes: macaroni, canned vegetables, tomato sauce, typewriters and office machinery, woodworking machinery, domestic washing machines, refrigerators, radios, motor car engines and spares.

TOUR OF TERRITORY

E. M. Gosse, Canadian Government Trade Commissioner (Fisheries) in Kingston, Jamaica, is touring Haiti, the Dominican Republic and Puerto Rico during April. Businessmen interested in these areas are invited to write Mr. Gosse at Kingston.



GENERAL NOTES

FRANCE

Farm Loans—Since 1946 the French Government, through the Credit Agricole Mutuel, has been extending 2 per cent loans to potential farmers under 35 years of age who wish to establish themselves on their own land. During 1951 some 10,000 farmers were assisted in this way. To increase its financial backing, the Credit Agricole has now been authorized to issue bonds of 7, 11 or 15 years' duration at a rate of 5·5 per cent.

As in other years, short-term loans will be made to farmers to cover seeding expenses. Loans will be granted to a maximum of 20 thousand francs per hectare for grain and 50 thousand francs per hectare for sugar beets—Paris, March 18.

MEXICO

Textile Export Duties Suspended—All export duties on textiles and clothing manufactured in Mexico were suspended by presidential agreement on March 3. The textile industry is understood to be severely depressed, with very large stocks on hand—Mexico, D.F., March 13.

PHILIPPINES

Foreign Trade Declines—Total foreign trade of the Philippines for 1952 amounted to 1,557 million pesos, 13 per cent below the 1951 total of 1,790 million pesos. Imports, accounting for 54·7 per cent of the total trade, were valued at 852 million pesos as against 959 million pesos in the previous year, a decline of 11 per cent. Exports were valued at 705 million pesos and were 15 per cent below the 1951 total of 831 million pesos. The unfavourable balance of trade for 1952 totalled 147 million pesos, as compared with 127 million pesos in 1951. The United States and Japan accounted for 76·7 per cent of Philippine foreign trade—Manila, March 20.

SOUTH AFRICA

Trade Balance Improved—The Union's trade balance with foreign countries improved considerably during last January. Compared with January 1952, imports decreased by £6·4 million; exports increased by about £2·26 million. Imports exceeded exports by £12,833,600 in January 1952, but by only £4,167,110 during January 1953—Johannesburg, March 16.

South Africa

Steel Production Rises Sharply

. . . but imports of steel and iron and their manufactures are still needed. Coastal region industries offer the best sales opportunities for interested Canadian exporters.

JOHANNESBURG—If South African steel mills claim credit for establishing secondary industry in this country, their claims have a solid foundation. Once almost totally dependent upon imports of consumer durable goods, railway equipment, engineering equipment, mining equipment, etc., South Africa now manufactures these products itself from its own steel. On the other hand, local manufacturers might well boast that their vitality has given the steel industry its raison d'être—last year they used one million tons of South African steel. Nobody, however, is too concerned about this chicken and egg dilemma. The Union's steel and secondary industries are booming and each complements the other.

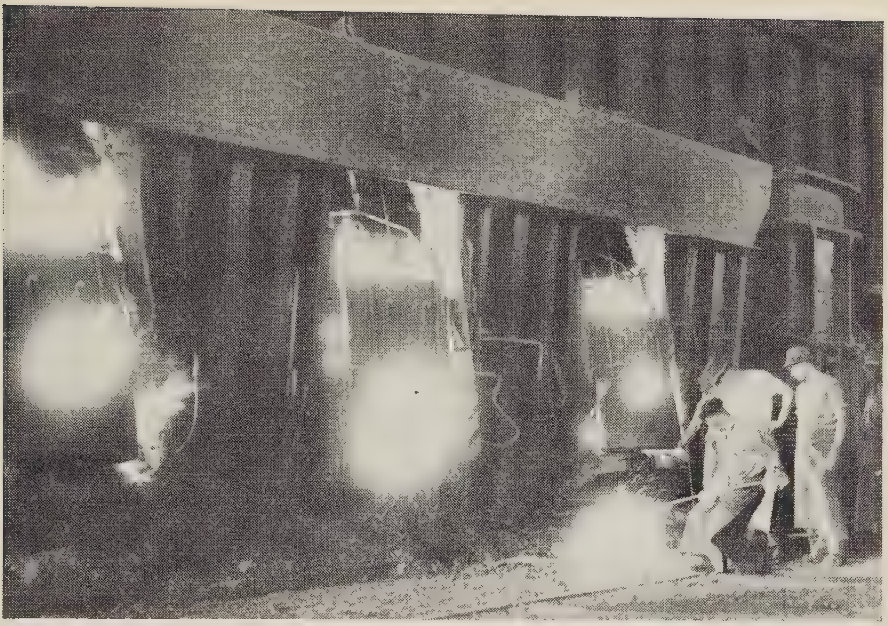
ISCOR Leads the Field

Straddling two miles of veldt on the road from Johannesburg to Pretoria is the major plant of the South African Iron and Steel Industrial Corporation, Goliath of South African steel. ISCOR was established by Act of Parliament in 1928 as a semi-public utility corporation and went into operation six years later. The capacity of the original mill was 180 thousand tons of primary steel a year; during World War II this was raised to 575 thousand tons. Recently the corporation opened a new plant at Vanderbijl Park, 35 miles south of Johannesburg. Current output of the two works is about seven times the combined capacities of all other steel producers in the Union. ISCOR is producing approximately 900 thousand tons of finished steel a year and fills more than 56 per cent of the country's requirements for raw and semi-finished steel.

With the exception of zinc and tin, which must be imported, all raw materials for ISCOR's production are obtained locally. ISCOR steel is fed into South African industries at a comparatively low cost. It is estimated that last year the average price of domestic steel was £32 per ton lower than that of imported. The price differential is estimated to have saved the Union £32 million, and more than double that amount in foreign exchange.

Will Imports Continue?

In the face of such domestic competition, what future is there in South Africa for overseas steel suppliers? South Africa is still a market, although a changed one. Outpacing the spectacular climb in steel production, the index for secondary industry in South Africa has



Workers are pictured taking a "bath sample" at ISCOR's melting plant near Pretoria. Leading producer in South Africa's steel industry, the company turns out 1·3 million tons of ingots a year in this plant alone.

risen from 100 in 1939 to 500 today. Even though South African steel furnaces burned brightly all last year, local manufacturers spent £20,-121,000 on imported iron and steel. The table gives the beakdown.

Type	Value
Tin-coated plate and sheet	£4,800,000
Bars and rods	3,700,000
Wire	2,600,000
Plain and polished sheet	2,300,000
Pipe	1,600,000
Plain steel plate	1,500,000
Angles and channels	1,100,000
Screws, bolts, nuts	1,000,000
Drill steel	606,000

Industries scattered along the coastal regions of South Africa have always imported the bulk of their steel requirements. ISCOR is now expected to make a strong bid for this business, but high rail charges and the chronic shortage of boxcars will favour overseas suppliers. Canadian steel mills in a position to export should concentrate their sales efforts in these areas.

Recently the South African Railways placed a £3 million order in the United States for heavy gauge rails, and there are indications that additional orders will have to be placed overseas to augment deliveries from domestic mills. The metal box industry in South Africa, biggest consumer of tinplate, will require an estimated 80 thousand tons of tin-plate in the coming year. Of this amount ISCOR is expected to produce 32 thousand tons; the rest will be imported. In all probability South Africa will also import fair quantities of beams, angles, channels and other stuctural shapes because all sizes are not made locally.

—HOWARD E. CAMPBELL

Assistant Canadian Government Trade Commissioner

France

Incentives for the Exporter

To boost sales of French goods in overseas markets, the French Government is taking steps to lower the manufacturing costs of exports.

PARIS—New measures designed to lower the production costs of many French exports and to make them more competitive in world markets were recently introduced. Confronted with falling sales abroad and the exhaustion of EPU credits, the French Government has been concentrating on ways and means of remedying the situation. Here are the latest steps to be taken in the export drive:

- Rebates on internal taxes on wages, an important element in the manufacturers' costs, have been extended and simplified.
- Rebates on production taxes and the sales tax on goods exported have also been extended.
- Credit facilities for exports have been increased and the cost of such services lowered.

Rebate on Wage Taxes

Under the French system, the taxes on wages form an important element of production costs. These taxes are now fully refunded on a number of goods exported, but the amount of the refund, and the number of goods to which it applies, has been progressively extended in recent years. (See *Foreign Trade* of August 23, 1952—"Encouraging the French Exporter".)

The principal burden on the wage structure is the taxes collected for social security. These are largely paid by the manufacturer and, with a fiscal tax on salaries, amount to over 38 per cent of the total wage bill. The new regulations provide for a total rebate on these taxes every three months, instead of the previous six months. This rebate, however, does not apply to all exports; a fairly extensive list of exemptions receive no drawback on quantities exported.

The new regulation extends the right of rebate to some 24 additional categories, principally industrial chemicals, fertilizers, and some metals (berylium and tantalum).

The items still not entitled to any rebate on exports number about 360—largely food products, chemicals, rubber, skins, raw materials for papermaking, most metals, automobiles and railway equipment.

Taxes on Production

Taxes on production amount to slightly over 15 per cent of the sale value, to which is added a sales tax of 1·05 per cent. Generally these taxes are also refunded when the goods are exported, but the amount of

rebate varies with the goods (slightly over half in some cases, and one-third in others). The items not entitled to rebate on the social security or fiscal tax on salaries do not receive any rebate on the production and sales tax.

A short list of items, however, are exempt from the taxes on salaries, but receive no rebate on the sales and production taxes. The new regulation adds about ten classes to this list (chemicals, fibres and fine hair from furs) but deletes about 14 (some fine papermaking pulps, paper and cardboard and miscellaneous items). Special export rebates are also established for meats and meat products and for wines.

The method of calculating the rebates is simplified under the new measures and repayment will be made each month instead of every six months. The number of items receiving the higher rebate (actually $\frac{8}{15}$th of the taxes paid, but now calculated at 8·72 per cent of the invoice value) has been increased by some fifty. These favoured items include dry salt codfish, canned fish, cocoa and its preparations, pharmaceutical products, perfumes, cigarette paper, electrical machinery, and aviation equipment.

The third step in this export drive is a policy directive of the Bank of France which provides exporters with increased and cheaper credit facilities. Export paper that, for over a year, has been discounted for three months, will now be accepted for a six-month period, In addition, the cost of this accommodation has been reduced from 4 to $3\frac{1}{2}$ per cent.

—R. G. C. Smith
Commercial Counsellor for Canada

THE U.K. BUDGET

Highlights in the U.K. budget, announced by the Chancellor of the Exchequer in the British House of Commons on April 14, which may interest Canadian exporters are summarized in a cablegram from the Office of the High Commissioner for Canada in London, as follows:

- Reductions, effective immediately, in purchase tax rates, including those on motor vehicles from $66\frac{2}{3}$ per cent to 50 per cent; on fur garments, from 100 per cent to 75 per cent; on refrigerators, washing machines, and vacuum cleaners, from $66\frac{2}{3}$ per cent to 50 per cent; on carpets, linoleum, and sewing machines, from $33\frac{1}{3}$ per cent to 25 per cent.

- No change in "D" allowances (these allowances reduce the value on which purchase tax is levied on goods of a type formerly included in the Utility Schemes).

- Removal of customs duties on mechanical lighter components.

- Income tax lowered and initial allowances for industrial buildings, plant and machinery restored. The excess profits levy is to end on January 1, 1954.

COMMODITY NOTES

BRAZIL

Carnauba Wax—Carnauba wax exports, which represented 4·3 per cent of Brazil's overall exports in 1941, fell to less than 1 per cent in 1952. Figures for January-September show that only 6,311 tons, valued at Cr.$189 million, were exported during this period, against 7,611 tons valued at Cr$252 million in the same period of 1951. Prices in New York have risen as a result of smaller stocks—Rio de Janeiro, March 25.

GUATEMALA

Mahogany—The Government of Guatemala will provide the financial backing for "Petensa", a new enterprise to cut and market mahogany from the jungles of the Peten. The 200-kilometre, narrow-gauge railroad will cost an estimated $3 million, and the rolling stock, communications and sawmills, $1 million. A model lumber town is also planned—Guatemala City, March 18.

MEXICO

Sugar—The 1952-53 sugar harvest, begun in December, will yield a total of 725 thousand metric tons of sugar, according to latest calculations. The value of sugar production in Mexico rose from 286 million pesos in 1946 to 737 million last year, and it will increase to approximately 774 million pesos this year—Mexico, D.F., March 13.

NETHERLANDS

Tea—Average tea prices quoted at Amsterdam auctions in 1952, compared with the previous year, fell by nearly 36 Dutch cents to 1.67½ guilders per half kg. The average price for Java tea in 1952 was 1.69 guilders per half kg. and for Sumatra tea was 1.63½ guilders per half kg.

Total auction offerings in 1952 comprised 71,769 chests of Java tea (103,981 chests in 1951), and 28,604 chests of Sumatra tea (26,593). Total volume was 5,087,873 kg. (6,521,952).

Holland's total tea imports in 1952 amounted to 17,454,729 kg. Nearly 11 million kg. of this came from Java and Sumatra, and over six million kg. from India and Ceylon. Imported Chinese tea totalled

261,000 kg. The value of tea supplies imported in 1952 amounted to 61·1 million guilders compared with 68·4 million guilders the previous year.

The next Amsterdam tea auction will be held on March 12 when offers are expected to comprise 4,528 chests of Java tea and 1,230 chests of Sumatra tea—The Hague, March 10.

PORTUGAL

Tobacco Leaf—Portugal's imports of tobacco leaf for 1952 amounted to 4,850,000 kilograms, valued at Can.$3,816,000, as compared with 4,754,000 kilograms, valued at approximately Can.$3,588,000, in 1951. The chief suppliers were: U.S., 3,519,000 kilograms; Greece, 610,000 kilograms; Portuguese Overseas Provinces (chiefly Angola and Mozambique), 412,000 kilograms, and Algeria, 152,000 kilograms—Lisbon, March 12.

SOUTH AFRICA

Minerals—The total value of mineral sales in the Union rose by more than £6·5 million (15 per cent) last year to the record figure of £48·7 million. The outstanding increases were £3·2 million for copper, and £2·1 million for asbestos fibres, of which chrysotile fibre yielded £1·2 million more than in 1951. Coal, tin, iron ore, and all asbestos fibres achieved record sales volumes and copper, tin, chrome, iron and manganese ores, and the asbestos fibres reached new peaks for value.

The biggest revenue producer last year was the coal industry—£14,639,899 from sales of 30,037,616 tons. Although the industry sold 1·3 million more tons last year than in 1951, the value of sales was slightly lower than the record figure of £14,796,921, from sales of 28,664,578 tons, in 1950—Johannesburg, March 16.

SWEDEN

Pork—Britain will buy about 6,000 tons of pork from Sweden during 1953. This is the first sale to the U.K. since 1940—Stockholm, March 18.

UNITED STATES

Polarized Spectacles—The tremendous boom of three-dimensional movies in the U.S. has provided a windfall for a small Ohio firm. This company is one of the two firms in the U.S. with the essential basic patents to polarize glass and plastic successfully. Now that practically all studios in Hollywood are swinging over to three-way films, the demand for polarized spectacles has jumped from practically zero to tens of millions in the space of a few months. As a new pair of cardboard and polarized spectacles is issued with each ticket bought at the theatre, it is estimated that each three-dimensional picture produced will require from ten to twelve million pairs—Detroit, March 29.

U.K. Relaxes Import Restrictions

Here are details on the extent and effect of recent changes in the U.K. import policy.

LONDON—The President of the Board of Trade announced on March 23, 1953, the relaxation of import restrictions on a wide range of goods from Western Europe, other OEEC countries, and a number of other Middle Eastern, Far Eastern and South American countries. The value of imports affected, consisting mainly of foodstuffs and manufactures, amounts to approximately £32 million a year.

These relaxations will raise from 44 to 58 the percentage of U.K. imports on private account from Western Europe free from quantitative restrictions. These percentages are calculated on the basis of trade in 1948 and compare with the minimum standard of 75 per cent set by the OEEC for countries not in balance of payments difficulties, and with the figure of 90 per cent achieved by the United Kingdom before the restrictions were imposed in November 1951.

Action Explained

The President of the Board of Trade said: "In making these relaxations, we have had regard to what is of traditional importance in our trade with Europe, and in particular to measures helpful to France and Italy whose trade has been most affected by the restrictions which the United Kingdom has been obliged to apply. While the United Kingdom position in the European Payments Union has shown some improvement in recent months, we are still in serious overall deficit with the Union . . . But it is of great importance to this country to maintain at the highest possible level our trade with Europe and to increase the openings for our exports". (The United Kingdom has a deficit of £200 million with the Union, in addition to a gold payment of £100 million.)

Goods Affected

As of March 24th, the following are the most important items to be restored to Open General Licence:

- Manufactures—textile yarns and piece goods, carpets, furniture, footwear, gloves, matches, plate and sheet glass, roofing tiles, hat hoods, food-preparing and processing machinery, rough marble, raw cork and cork manufactures.

- Foodstuffs—unrationed cheese, lentils and butter beans, olive oil, tomato puree and juice, glacé cherries, peaches, apricots, pineapples, tangerines, clementines, mandarines.

- Quotas for the second half of 1953 (period beginning July 1st) have been increased as follows: edible nuts to £3·25 million; essential oils to £2 million; canned fish to £500,000; canned tomatoes to £3·9 million for period up to June 30th, 1954; glassware to £420,000; drugs to £410,000.

Open General Licence goods may be imported without separate licences if they are consigned from and originate in Western European and certain other foreign countries.

The principal foreign countries covered by the licence are:

- OEEC countries and their dependencies—Austria, Belgium, Denmark, France, Greece, Italy, Luxembourg, Netherlands, Norway, Portugal, Sweden, Switzerland, Trieste, Turkey, Western Germany.
- Other countries—Afghanistan, Anglo-Egyptian Sudan, Andorra, Bhutan, Brazil, Chile, China, Ethiopia, Finland, Formosa, Indonesia, Israel, Lebanon, Paraguay, Peru, Saudi Arabia, Siam, Spain, Syria, Uruguay, Yemen, Yugoslavia.

The foreign travel allowance was raised at the same time from £25 to £40 for adults, and from £15 to £30 for children, effective immediately. The travel year is November 1st to October 31st. This should represent an important contribution to the tourist earnings of Western Europe.

—R. CAMPBELL SMITH
Commercial Secretary for Canada

TRADE COMMISSIONERS ON TOUR

TO familiarize themselves with conditions in this country and the special requirements of businessmen, Canadian Trade Commissioners return to Canada periodically. Exporters and importers are invited to discuss with the Trade Commissioner the markets and sources of supply in his territory.

M. T. Stewart, Commercial Counsellor for Canada in Mexico City, begins the second part of his Canadian tour in Windsor and Walkerville on May 4. His itinerary will be:

Windsor-Walkerville—May 4
Chatham—May 5
Sarnia—May 6
London—May 7
Kitchener—May 8
Preston-Guelph—May 9
Brantford—May 11
Welland—May 12
St. Catharines—May 13
Hamilton—May 14-15
Ottawa—May 18-22
Toronto—May 25-June 6
Montreal—June 8-20
Quebec—June 22
Saint John—June 25-26
Halifax—June 29-30

Businessmen may get in touch with Mr. Stewart through the Board of Trade in Chatham, Guelph, Montreal, Quebec, Saint John and Halifax; the Chamber of Commerce in Windsor, Sarnia, London, Kitchener, Preston, Brantford, Welland, St. Catharines and Hamilton; the Canadian Manufacturers Association in Toronto, and the Department of Trade and Commerce in Ottawa.

TRADE AND TARIFF REGULATIONS

INDIA'S IMPORT POLICY

NEW DELHI—The Government of India has announced the issue of Open General Licence 29, which supersedes Open General Licence 24, expiring on March 31, 1953. This new Open General Licence permits the import of a list of goods from any country with the exception of South Africa. It is valid for shipments made up to and including September 30, 1953, without any grace period whatsoever, provided the goods are shipped on through consignment to India.

Articles included under the new Open General Licence of interest to Canadian exporters are:

Ferro-chrome
Copper, wrought
Copper scrap
Lead ingot, pig and lead scrap
Zinc or spelter, unwrought
Nickel alloys and nickel chrome alloys
Brass, bronze and similar alloys unwrought and in the form of ingot and scrap
Copper, unwrought
Nickel, including nickel scrap
Monel metal
Tungsten metal powder and other tungsten products
Molybdenum metal powder and molybdenum wire
Iron and steel buffers for locomotives, wagons and carriages
Locomotive pistons, rods and motion parts
Copper electrodes and rod, foil, wire and strip
German silver, including nickel silver and scraps thereof
Aluminium wire rods having a purity of 99·5 per cent or more (for the manufacture of electrical conductors)
Zinc electrodes
Electrodes and rods, foil, wire and strip made of brass, bronze and other similar alloys for gas welding and brazing.
Cadmium, cobalt, manganese, magnesium, bismuth, tungsten, molybdenum, silicon, chromium, vanadium, and other virgin non-ferrous metals not otherwise specified and manufactures thereof. This also includes monel metal manufactures, dental silver alloy in 1 and 5 oz. packing, aluminium alloy items containing not more than 97 per cent aluminium in the form of plates, sheets, circles, strips, rods, bars, tubes, sections, wires and rivets, aluminium, lead-winged glazing bars and magnesium powder, also electrodes, rods, foil, wire and strip for gas welding and brazing but excluding non-ferrous semi-manufactures and alloys.
Roller bearings
Taper bearings
Electrical generators
Synthetic graphite and amorphous carbon electrodes
Flexible metallic tubes designed as part of a transmission system
Paper-insulated power cables
High tension insulators
Electric carbons
Refractory cement whose alumina content is above 35 per cent
Selenium
Calcium carbide
Wood and timber
Wood pulp
Newsprint other than coloured newsprint
Hosiery needles
Spare parts for agriculture tractors and for tractor-drawn agricultural implements

Agricultural implements, tractor-drawn only
Power-driven agricultural machinery, excluding tractors, rotary hoes and rotary tillers
Asbestos, raw

Simultaneous with the announcement of the new Open General Licence No. 29, the Government of India announced in a Public Notice of March 16 the import licensing policy on some 29 items formerly under Open General Licence but not included under Open General Licence No. 29. Such goods are now subject to individual import licence. Those which are permitted importation from the dollar area are: fabricated iron and steel sheets for the construction of coal tubs; fabricated galvanized iron sheets for roofing railway wagons; aluminum in any crude form, including ingots, bars, blocks, slabs, billets, shots, pellets; non-ferrous semi-manufactures and alloys; thin-walled bearings as parts for diesel engines; the following drugs—calcium glucono galacto gluconate; chlorbutol, ephedrine and its salts, nicotinic acid, sulfadiazine and sulfapyridine; fluxes for gas welding, melting and refining metals; sodium nitrate; potassium chloride; rock phosphate; rotary hoes and rotary tillers.

—RICHARD GREW
Commercial Counsellor for Canada

BERMUDA

Imports of Canadian Sewing Machines—The Bermuda Supplies Commission advised importers on March 10 that sewing machines may now be imported from Canada and the United States.

Before March 10, sewing machines were included in the list of goods for which licences are not being issued for imports from dollar countries. Their importation continues subject to the licensing requirement.

Imports of Canadian Potatoes—The Bermuda Supplies Commission advised importers on March 22 that imports of potatoes into the colony from Canada and the United States will not be permitted after April 1, 1953.

GREECE

Drachma Devalued—Greece has devalued the drachma to thirty thousand to one United States dollar. The former rate was fifteen thousand drachmae to one dollar. At the same time, however, Greece abolished its contribution taxes on foreign exchange which varied according to commodity. As a result of these taxes, the effective rate of exchange on many imports has been higher than 15 thousand drachmae to one dollar.

In view of the devaluation, Canadian exporters would be well advised to confirm their contracts with Greek importers before making shipment to that country even if a letter of credit has been opened.

It is expected that the Greek import policy will also be revised. Further details of the new measures should be available shortly—Athens, April 10.

IRELAND

Import Controls—By two quota orders issued under the Control of Imports Acts, 1934 and 1937, the Government of the Republic of Ireland has announced the following additional quotas and quota periods:

Certain laminated springs: £1,000, as against a similar amount for the previous six-month period. The new quota extends from April 1 to September 30, 1953.

Spark plugs: 5,000 articles; quota unchanged from previous six-month period. The new quota extends from May 1 to October 31, 1953—Dublin, March 18.

SOUTH AFRICA

Textile Import Control Relaxed—The South African Minister of Economic Affairs has authorized the issue of Letters of Authority to merchant importers of consumer goods for imports of textile piece goods from dollar countries. These Letters of Authority will be valid for the types of piece goods which are at present freely admitted from non-dollar countries. (Since early in 1952 no exchange was made available for the purchase of textile piece goods from dollar sources.)

The Letters of Authority will be equal in value to 10 per cent of the f.o.b. cost of the individual firms' imports from all sources in 1948, for sale to the public for purposes other than industrial use.

In order to avoid hardships, firms who did not import textile piece goods in 1948 for sale to the public, but who have since become genuine importers thereof, will receive consideration. In such cases, the authorities will consider applications based on imports during the years 1950, 1951 and 1952.

UNITED STATES

Tariff Commission Hearing on Mustard Seeds—A public hearing has been ordered by the United States Tariff Commission (to be held in the Hearing Room, Tariff Commission Building, Eighth and E Streets N.W., Washington), beginning at 10 a.m. on May 18, in the investigation with respect to mustard seeds instituted on February 12, 1953, under section 7 (the "Escape Clause") of the Trade Agreements Extension Act of 1951.

This hearing is being held to determine if mustard seeds are, as a result of customs treatment reflecting concessions granted on such products in the General Agreement on Tariffs and Trade, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

Anyone wishing to appear, give evidence and be heard at the public hearing should file a request in writing with the Secretary, United States Tariff Commission, Washington 25, D.C., in advance of the date of the hearing—Washington, April 2.

Foreign Trade Service Abroad

This list shows the countries included in the territories of Canadian Trade Commissioner offices abroad and the post responsible for the promotion of Canadian trade in each.

Country	Post Responsible
Aden	Cairo
Afghanistan	Karachi
Alaska	San Francisco
Algeria	Paris
Angola	Leopoldville
Argentina	Buenos Aires
Australia	Sydney and Melbourne
Austria	Berne
Azores	Lisbon
Bahamas	Kingston
Bahrein	Cairo
Balearic Islands	Madrid
Barbados	Port-of-Spain
Belgian Congo	Leopoldville
Belgium	Brussels
Bermuda	New York
Bolivia	Lima
Brazil	Rio de Janeiro and São Paulo
British Cameroons	London
British Guiana	Port-of-Spain
British Honduras	Kingston
British Togoland	London
Brunei	Singapore
Burma	Bombay
Canal Zone, Panama	Guatemala
Canary Islands	Madrid
Cape Verde Islands	Lisbon
Cayman Islands	Kingston
Ceylon	Colombo
Chile	Santiago
China	Hong Kong
Colombia	Bogotá
Costa Rica	Guatemala
Cuba	Havana
Curaçao	Caracas
Cyprus	Cairo
Czechoslovakia	Berne
Denmark	Oslo
Dominican Republic	Ciudad Trujillo
Dutch Guiana	Port-of-Spain
Ecuador	Bogotá
Egypt	Cairo
England	London and Liverpool
Eritrea	Cairo
Ethiopia	Cairo
Falkland Islands	Buenos Aires
Fiji	Wellington
Finland	Stockholm
Formosa	(See Taiwan)
France	Paris
French North and West Africa	Paris

Country	Post Responsible
French Equatorial Africa	Leopoldville
French Guiana	Port-of-Spain
French West Indies	Port-of-Spain
Gambia	London
Germany	Bonn
Gibraltar	Madrid
Goa	Bombay
Gold Coast	London
Greece	Athens
Greenland	Oslo
Guatemala	Guatemala
Guiana (British, Dutch, French)	Port-of-Spain
Haiti	Ciudad Trujillo
Hawaii	San Francisco
Honduras	Guatemala
Hong Kong	Hong Kong
Iceland	London
India	New Delhi and Bombay
Indo-China	Hong Kong
Indonesia	Singapore
Iran	Karachi
Iraq	Beirut
Ireland, Republic of	Dublin
Ireland, Northern	Belfast
Israel	Athens
Italy	Rome
Jamaica	Kingston
Japan	Tokyo
Jordan	Cairo
Kenya	Johannesburg
Korea	Tokyo
Kuwait	Cairo
Lebanon	Beirut
Leeward Islands	Port-of Spain
Liberia	New York
Libya	Rome
Liechtenstein	Berne
Luxembourg	Brussels
Macao	Hong Kong
Madagascar	Cape Town
Madeira	Lisbon
Malaya	Singapore
Malta	Rome
Mauritius	Cape Town
Mexico	Mexico
Morocco, French	Paris
Morocco, Spanish	Madrid
Mozambique	Johannesburg
Netherlands	The Hague
Netherlands Antilles	Caracas
Netherlands Guiana	Port-of-Spain
New Guinea	Sydney
New Zealand	Wellington
Nicaragua	Guatemala
Nigeria	London
North Borneo	Singapore
Northern Ireland	Belfast

Country	Post Responsible
Northern Rhodesia	Johannesburg
Norway	Oslo
Nyasaland	Johannesburg
Oman	Cairo
Pakistan	Karachi
Panama	Guatemala
Paraguay	Buenos Aires
Persia	(See Iran)
Peru	Lima
Philippines	Manila
Portugal	Lisbon
Portuguese East Africa	Johannesburg
Portuguese Guinea	Lisbon
Puerto Rico	Ciudad Trujillo
Qatar	Cairo
Rio Muni	Madrid
Rio de Oro	Madrid
Ruanda Urundi	Leopoldville
El Salvador	Guatemala
Sarawak	Singapore
Saudi Arabia	Cairo
Scotland	London
Siam	(See Thailand)
Sierra Leone	London
Singapore	Singapore
Somaliland	Cairo
South Africa, Union of	Johannesburg and Cape Town
South-West Africa	Cape Town
Southern Rhodesia	Johannesburg
Spain	Madrid
Sudan	Cairo
Surinam	(See Netherlands Guiana)
Sweden	Stockholm
Switzerland	Berne
Syria	Beirut
Taiwan	Hong Kong
Tanganyika	Johannesburg
Tangier	Madrid
Thailand	Singapore
Tobago	Port-of-Spain
Trieste	Rome
Trinidad	Port-of-Spain
Tunisia	Paris
Turks and Caicos Islands	Kingston
Turkey	Athens
Uganda	Johannesburg
United States	Boston, Chicago, Detroit, Los Angeles, New Orleans, New York, San Francisco, Washington
United Kingdom	London and Liverpool
Uruguay	Buenos Aires
Venezuela	Caracas
Wales	Liverpool
Western Samoa	Wellington
Windward Islands	Port-of-Spain
Yemen	Cairo
Yugoslavia	Rome
Zanzibar	Johannesburg

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalents multiply by 1·0162.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. April 9*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1312	
		Basic buying	·1968	(1)
		Preferential selling	·1968	
		Basic selling	·1312	
		Free	·0708	
Austria	Schilling		·04606	
Australia	Pound		2·2180	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01962	
Bolivia	Boliviano	Official	·01640	tax 5% (1)
		Differential	·00979	tax 3% (2)
British West Indies	Dollar		·5776	(3)
	Pound		2·7725	(4)
	Dollar	Brit. Honduras	·6931	
Brazil	Cruzeiro	Official	·05319	tax 8% (2)
		Free	·02218	
Burma	Kyat		·2079	
Ceylon	Rupee		·2079	
Chile	Peso	Official	·03169	(1)
		Commercial	·01638	
		Free	·00894	
Colombia	Peso	Basic	·3936	tax 3% (2)
		Coffee buying	·4260	
Costa Rica	Colon	Official	·1757	(5)
		Free	·1484	*March 16
Cuba	Peso		·9841	tax 2%
Czechoslovakia	Koruna		·01968	
Denmark	Krone		·1425	
Dominican Republic	Peso		·9841	
Ecuador	Sucre	Official	·06561	(6)
		Free	·05695	
Egypt	Pound		2·8258	
Fiji	Pound		2·4977	
Finland	Markka		·00428	
France	Franc		·00281	
French Africa	Franc		·00563	
French Pacific	Franc		·01548	
Germany	D Mark		·2343	
Greece	Drachma		·000066	
Guatemala	Quetzal		·9841	
Haiti	Gourde		·1968	
Honduras	Lempira		·4920	
Hong Kong	Dollar	Free	·1652	*March 27
Iceland	Krona	Official	·06042	
		Special buying	·04655	
		Special selling	·03767	
India	Rupee		·2079	
Indonesia	Rupiah	Basic	·08632	(7)
		Dollar certificate	·00186	*March 16

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. April 9	Notes (See below)
Iran	Rial	Certificate I	·01079	*March 11
		Certificate II	·01076	*March 11
Iraq	Dinar		2·7725	
Ireland	Pound		2·7725	
Israel	Pound	Basic	2·7554	
		Special	1·3777	
		Investment	·9841	
Italy	Lira		·00158	
Japan	Yen		·00273	
Lebanon	Pound	Free	·2709	*
Mexico	Peso		·1138	
Netherlands	Guilder		·2590	
Netherlands Antilles	Guilder		·5218	
New Zealand	Pound		2·7725	
Nicaragua	Cordoba	Effective buying	·1491	(8)
		Official Selling	·1395	
		With Surcharge I	·1222	
		With Surcharge II	·09791	
Norway	Krone		·1378	
Pakistan	Rupee		·2974	
Panama	Balboa		·9841	
Paraguay	Guarani	Basic	·06561	(1)
		With Surcharge I	·04686	(9)
		With Surcharge II	·03280	
Peru	Sol	Certificate	·06185	
Philippines	Peso		·4920	tax 17% (2)
Portugal	Escudo		·03434	
El Salvador	Colon		·3936	
Singapore & Malaya	Straits dollar		·3235	
South Africa (Union of)	Pound		2·7725	
Spain & Dependencies	Peseta	Basic buying	·04493	
		Basic selling	·08770	(1)
		Basic commercial selling	·05991	
		Free	·02498	
Sweden	Krona		·1902	
Switzerland	Franc		·2298	
Syria	Pound	Free	·2659	*March 16
Thailand	Baht	Official	·07872	(1)
		Free	·05850	*Feb. 27
Turkey	Lira		·3514	
United Kingdom	Pound		2·7725	
United States	Dollar		·9841	
Uruguay	Peso	Official	·6478	
		Basic buying	·5528	
		Special buying	·4187	(1)
		Basic selling	·5179	
		Special selling	·4016	
Venezuela	Bolivar		·2937	(10)
Yugoslavia	Dinar		·00328	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective rate for all Indonesian dollar exports is basic rate plus 70 per cent of dollar certificate rate. Exchange rate for other than essential imports is basic rate plus $33\frac{1}{3}$ per cent, 100 per cent or 200 per cent, depending on the import category of the product. Cost of dollar imports is increased by full amount of dollar certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to all Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

foreign trade

APRIL 25, 1953

The Fair in Fifty-Three . . . . . .

COMING:

The Sixth Canadian International Trade Fair.

June 1-12, 1953.

Toronto.

In the theatre, some such legend would flash upon the screen, advertising a coming attraction. Scenes from the film itself would follow, to give the audience some idea of the story and to whet its appetite for more.

This issue of "Foreign Trade" gives, in the same fashion and for the same reasons, a preview of the Trade Fair. Whether, as a buyer, your interests lie in aluminum or objets d'art, in mechanical pencils or machine tools, in diesel engines or draperies, in these pages you can discover what firms, from various countries, are exhibiting these products. In addition, we have attempted to convey in the photographs and in the copy some of the colour, the bustle and the excitement that accompanies this great Fair.

The picture is not complete; until the very day the Fair opens there will be changes and additions. We present here the listings of exhibitors up to April 18th, just before we went to press.

We hope that, like the movie audience, you will be stimulated to visit the Trade Fair, to take advantage of the opportunities it offers, and to discover what it can do to promote your business.

foreign trade

VOL. 13 OTTAWA, APRIL 25, 1953 NO. 330

COVER. . . Men and women from many countries will pass under the gleaming aluminum facade of the Coliseum when they visit the Canadian International Trade Fair early in June. In the last few years the red "C" has become known among businessmen the world over as the symbol of a great international marketplace on the shores of Lake Ontario.

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

Hon. L. B. Pearson to Open Trade Fair

THE CHOICE OF Hon. Lester B. Pearson to open the Trade Fair this year seems a particularly appropriate one. The Fair is Canadian in origin and setting but international in scope; Mr. Pearson has won distinction both in Canada and in the international sphere. His fellow citizens know him best as the Secretary of State for External Affairs but he became a world figure last fall when he was appointed president of the General Assembly of the United Nations.

His long connection with government began when, as a young man of 31, he entered the Department of External Affairs. He climaxed his career as a civil servant by becoming the Under Secretary of State for External Affairs. Two years later he was elected to Parliament and joined the Cabinet as the Minister for External Affairs.

Through the years he has taken an active part in the work of the United Nations, first as chairman of the Interim Commission on Food and Agriculture and later as a member of a number of UN committees. Thus his experience both at home and abroad has given him a deep understanding of international problems.

On June 1st, when he stands on the steps of the Coliseum in Toronto's Exhibition Park, with the flags of many nations unfurled above him, and declares the CITF open, Mr. Pearson will be the right man in the right place. For, as a meeting-place of many nationalities, minds, skills and opportunities, the Trade Fair too represents a venture in international co-operation.

72812—1½

The Fair in Fifty-Three

With a record amount of display space sold, with quickened buyer interest, the sixth annual CITF offers opportunities businessmen should not miss.

THE TWO BUSINESSMEN met over dinner in the buffet car of a train on the Montreal-Toronto run.

"Going to the Trade Fair this year, Bert?" asked one.

"I certainly am; our firm reserved display space months ago. Fact is, we are bringing in our distributors from the West and the Maritimes to see it and holding a sales meeting afterwards. It's going to be a busy two weeks for us. How about your company?"

"We're not exhibiting, but several of our executives and some of the plant personnel will be there. We're looking around for some new equipment."

. . .This conversation is typical of the hundreds current in the five weeks before the Sixth Canadian International Trade Fair opens. It demonstrates that the Fair means many things to many people. To the overseas exhibitor it represents an opportunity to find urgently needed dollar markets; to the Canadian company, a chance to push export business or widen domestic contacts. There, foreign manufacturer and Canadian or American agent may meet and come to terms. There the engineer can find the equipment to do his job more efficiently and the retailer new products to attract the buying public. And there both buyers and exhibitors can study the consumer's reaction. In fact, the CITF is at once a marketplace, a meeting-ground, and a sales research laboratory.

The Largest Ever

Statistically speaking, this Fair promises to be the biggest yet. Exhibitors booked space so eagerly that by mid-April the figures added up to 260 thousand square feet, far outdistancing 1952's 190,322 square feet. The machinery and plant equipment section—always the leader—will overflow the Industrial Building and take over part of the Automotive Building too. The outdoor "road show", cautiously dubbed an experiment last year, will sprawl over a much larger section of the Exhibition Grounds. Before opening day, June the first, merchandise from at least 25 countries will pour into the buildings beside Lake Ontario and be fashioned into exhibits designed to capture the attention of international buyers.

In the six years since it was initiated, the CITF has won a sound reputation as an international marketplace. Many countries eager to increase their dollar earnings are seizing the opportunity which the Fair offers them. The British exhibits, for example, will cover over 46 thousand square feet in many different classifications, but with emphasis on heavy machinery and plant equipment, hardware and smallwares, etc. German

manufacturers will be there in force; their reservations already total 20 thousand square feet; close behind them come the United States, with 15 thousand square feet, and France with 9,000.

Other countries will be seeking customers, though on a somewhat smaller scale. Belgium is making a strong showing; so, for the first time, is Austria, with 34 booths. Next in order, at the time of writing, come the Netherlands, India, France, Sweden, Japan and Ireland. The Irish Dollar Export Corporation, whose activities have lately been featured in the Canadian press, has stimulated the Irish exhibits. The remaining exhibitors at the time of writing are Colombia, Denmark, Finland, Guatemala, Hong Kong, Italy, Jamaica, Norway, Peru, South Africa, Spain, and Switzerland.

Exhibits Bring Results

The experience of overseas exhibitors at past Fairs testifies to its value as a marketplace. A Swedish furniture exhibitor found Mexican customers; an Italian manufacturer sold two dyeing machines to Canadian mills; an English company opened thirty new wholesale accounts with Canadian firms; a German jewellery exporter received orders for 60 per cent of the goods he displayed. These success stories are all drawn from CITF records—and they could be multiplied indefinitely.

Canadian exhibitors have the same story to tell. They report that "the Fair tends to make our own people export-conscious and possibly makes us strive a little harder to do export business which is essential to our economy." For a time the feeling persisted that it was an exporters' show only; that feeling has since died out. A Toronto export manager's experience is typical. "In the beginning," he said, "we considered the CITF as an affair of interest only to our export division. However. . .we have found many of our Canadian domestic customers, some of them from

---

What You'll See . . .

- *Exhibits from over 25 different countries, arranged under 19 trade classifications.*
- *A machinery and plant equipment display that will cover 106 thousand square feet and include exhibits from eleven countries.*
- *Heavy construction and road-building equipment displayed outdoors, where you can watch it at work.*
- *Major exhibits from Canada, the United Kingdom, Germany, the United States, France, Belgium, Austria, Netherlands—in order of space taken.*
- *Display of household furnishings and appliances covering over 18,300 square feet.*

faraway provinces, visiting the Fair." This year Canadian companies have reserved more than half the space—over 140 thousand square feet—and their displays will illustrate dramatically the range, the quality, and the value of our national production. In those twelve days of June, many Canadian exhibitors will do business with buyers from 60 different countries. Even more will be booking orders from fellow Canadians, especially from outside Ontario and Quebec, who now make a CITF visit part of their yearly buying schedule.

The exhibitor isn't the only one who profits from the Fair; it simplifies business for the potential customer too. The X Company, for example, needs some intricate and expensive machine tools for its plant. It could obtain sales literature and quotations by mail, or it could send one of its men on an expensive and time-consuming scouting trip. Instead, company executives visit the Trade Fair and inspect machine tools from eleven different countries. Technicians are there to operate the machines and answer questions and sales representatives to quote prices and delivery dates. The company can pick and choose on the spot.

The opportunity to examine products from many countries, to weigh and compare, to inspect the newest models, means equally as much to Canadian importers—and particularly to retailers. Said one of them: "This Fair is for retailers too; it's a pity more don't make use of it. The Fair gives us a chance to see new lines we might never see otherwise . . . We have found it keeps us up-to-date on the latest things and we have added new items to our selling line every year so far."

Provides a Meeting-Ground

The Trade Fair is more, however, than a great emporium; it provides a meeting-place for businessmen from many different countries. Exhibitor and buyer, manufacturer and potential agent, newcomer and seasoned fair-goer—they study what each has to offer; they sit down together to talk terms and deliveries, and in the process they come to appreciate one another's problems. Old-timers at the Fair have often seen these business relationships lead to greater mutual understanding. They see a South American buyer and a Pakistani deep in conversation with American and Canadian exhibitors over the lunch table or, at the close of the day, a Canadian buyer entertaining Dutch and Swedish visitors in the International Lounge. They see businessmen of many nations mingle at the social functions held in Fair week; they see overseas visitors entertained in Canadian homes. They hear of many who come primarily for the Fair and who are stimulated to travel through Canada afterwards. They realize it all adds up to greater international goodwill.

On the strictly commercial level, the CITF has proved an excellent place for the overseas manufacturer to find a reliable and efficient Canadian agent—and for distributors to make profitable new connections. The British machine tool industry, for example, gives the Trade Fair the major share of the credit for establishing its agencies in Canada. A Dutch firm reported as one Fair closed: "We've already got a Canadian agent and that's our biggest job." A South American buyer once described the Fair as "perfect" because he had made satisfactory arrangements to represent a Canadian packaging and labelling machine company, a

Dutch firm making office duplicating equipment, a Scottish distillery, a Canadian maker of washing machines, irons and pumps, and a French typewriter firm.

Studying the Customer

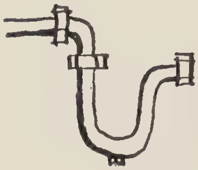
One of the Trade Fair's more unusual functions is that of a milieu for carrying out market research. Overseas exhibitors who found their limited acquaintance with North American tastes and market practices handicapping their dollar sales were among the first to recognize this. They brought their products to the Fair; they studied the buyers' reactions; they went home to put their findings into practice. One Dutch cigar maker said: "The CITF is the biggest schoolroom in the country. The lesson to be learned is that the manufacturer must adapt his product to fit the market, not try and change the market to fit his product." A British association of scientific instrument makers reached this conclusion: "Experience at the Fair indicated the association's members must revolutionize sales methods in Canada."

What is true for foreign exhibitors is true for Canadians also—in a slightly different way. Last year nearly 90 per cent of the 24,592 registered business visitors were Canadians—and thousands more poured into the Fair on the two public days. This means that the CITF is an excellent place to introduce new products and study the consumer's reaction to them. Many large Canadian companies set up their displays to do a public relations job. Through conversation with those who stop to examine the exhibits, they find out something of the public's attitude towards the company and have the chance to correct misapprehensions.

And so, on June the first, the doors will open on another Fair, with all the opportunities it offers to manufacturer, distributor, agent, and buyer. Those who have exhibited at previous Fairs will use it to renew and expand their contacts; the newcomer will seize the chance to break into fresh markets. The shrewd buyer will find the world's goods displayed in one great bazaar, with purchasing made simple; the foreign visitor will learn much about North American tastes and buying habits. For all the Fair will be, in this year as every other, marketplace, meeting-ground and sales research laboratory.

"Quite apart from the rather large actual business we enjoy during the duration of the Fair itself, is the broad factor of making new contacts. From these contacts—sometimes after a period of months—concrete business develops. Too, the Fair has given us the opportunity of learning, at first hand, the type of equipment in which our potential customers are interested. We also consider participation in the Fair a most successful advertising medium. In fact, we are definitely sold on the Canadian International Trade Fair."—Letter to the CITF Administrator from a Canadian company.

Building Materials, Plumbing, Heating



PLYWOODS and ceramic tiles for interior finishing, electric heaters and ranges, air-conditioning units, and the indispensable plumbers' supplies rub shoulders in this section with equipment designed to simplify and speed up building operations. Among the many exhibits certain to interest contractors or those who handle builders' supplies are:

- An aluminous cement, exhibited by the Canadian agent of a British firm. This cement hardens rapidly, yet does not liberate free aluminum.

- An all-steel portable elevator for raising brick, tile, gravel, etc., from low to high levels. It can be operated by one man; will handle loads up to 750 pounds.

- Elevator doors and door operators controlled by push button or by radio remote control.

- Seamless tube welding elbows, made in Great Britain.

Space Taken: 9,460 sq. ft. Last year: 8,410 sq. ft.

Countries Exhibiting: Canada, Belgium, Italy, Netherlands, United Kingdom, United States.

Leading Exhibitor: Canada, with 7,660 sq. ft.

CANADA

Boileau-Ferguson Ltd., Toronto, Ontario.	Rolling steel shutters, rolling portcullis grilles, rolling wood shutters.
Boon-Strachan Coal Co. Ltd., Montreal, Quebec.	Coal, oil and space heaters, gas heaters.
Canadian Armature Works Inc., Montreal, Quebec.	All types of electric heaters.
Canadian Javelin Foundries and Machine Works Ltd., Montreal, Quebec.	Cast iron kitchenware, sanitary plumbing fixtures, cooking ranges.
Canadian Plywoods Ltd., Montreal, Quebec.	Hardwood chip board, French and German plywoods.
Carlo Della Vallee, Montreal, Quebec.	Ceramic mosaic tile for interior and exterior decoration.
Ciment Fondu Lafarge (Canada) Ltd., Montreal, Quebec.	Aluminous cement (hydraulic product).
Coleman Lamp and Stove Co. Ltd., Toronto, Ontario.	Kerosene and gasoline burning pressure and non-pressure appliances for lighting, heating and ironing.
Design Craft Ltd., Toronto, Ontario.	Interlocking rubber floor tile; perforated masonite and corrugated masonite.
Diamalloy Welding Works, Toronto, Ontario.	Hot water and steam boilers; warm air conditioning units.
Enamel and Heating Products Ltd., Sackville, New Brunswick.	Ranges, heaters, furnaces for coal, wood, oil, gas and electricity.
F. Fentiman and Sons Ltd., Ottawa, Ontario.	Industrial and residential doors and scientific door operators.
Markwill Industries Ltd., St. Boniface, Manitoba.	Portable auger-type grain loaders, wheel-skis, farm wagons.
McDermid Bros. Ltd., Toronto, Ontario.	Portable elevators for conveying building materials and warehoused goods.

E. W. Playford Ltd. .... Montreal 28, Quebec.	Electrode type steam boilers and hot water circulators; speedy electric jet cleaner.
Rosco Metal and Roofing Products Ltd. .. Toronto, Ontario.	Steel skids, metal stampings, aluminum roofing, roofing.
Sarnia Bridge Co. Ltd. .... Sarnia, Ontario.	Steel scaffolding.
Timberland Machines Ltd. .... Woodstock, Ontario.	Pack tractor; truck mounted timber-tosser log loader; yarder-type winch; various blocks and pulleys.
Trafalgar Mills Ltd. .... South Nelson, New Brunswick.	Plaswood, a hard, high-density general-utility panel, and Compoboard, a Plaswood core with hardwood surfaces.
Tremco Manufacturing Co. (Canada) Ltd. Toronto, Ontario.	Protective coatings for maintenance construction; mastics, paints and enamels; asphalt emulsions.

BELGIUM

Allard, S.A. Usines and Acieries .... Mont-sur-Marchienne.	Steel and iron castings, nails, wires, bolts, nuts and rivets.

ITALY

Ceramic Mosaic "JOO" .... Milan.	Ceramic mosaic tile for interior and exterior decoration.

NETHERLANDS

Automatic Screw Works, N.V. .... Nymegen.	Water heaters, liners, aluminum foils; sanitary, firefighting, ship and solder fittings; gas-meters.
N. V. Industrie v/h Van Lohuizen & Co. Vaassen (G).	Water heaters, liners, aluminum foils; sanitary, firefighting, ship and solder fittings; gas-meters.
N. V. Ontwikkelingmaatschappij Polynorm Amersfoort.	Samples of prefabricated utility and domestic buildings.
Stokis' Royal Metalworks N. V. .... Arnhem.	Water heaters, liners, aluminum foils; sanitary, firefighting, ship and solder fittings; gas-meters.
United Ropeworks (N. V. Vereenigde Touvwfabrieken) .... Rotterdam.	Sisal bindertwine and haybaling twine, manila and sisal rope and twines, steelwire ropes, sisal carpeting and rugs.

UNITED KINGDOM

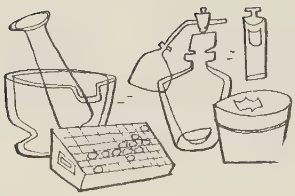
B. K. L. Alloys Limited .... Birmingham.	Seamless tube welding elbows, return bends, reducers, branch bends.
Haskins, (E. Pollard & Co. Ltd.) .... London.	Rolling steel shutters, rolling portcullis grilles, rolling wood shutters.

UNITED STATES

American Tubular Elevator Co. .... Zelienople, Pa.	Tubular steel scaffolding; tubular steel material hoisting towers; adjustable steel post shores.
Canadian Patent Scaffolding Co. Ltd. .... Long Island City 1. N.Y.	Sectional scaffolding, suspended scaffolds, junior scaffolds, aluminum rolling scaffolds.
Scheu Products Co. .... Upland, Calif.	Oil burning salamanders, forced air heaters.
Unistrut Products Co. .... Chicago, Ill.	All purpose metal framing and system of mechanical supports.
Universal Manufacturing Corp. .... Zelienople, Pa.	Tubular steel scaffolding and material hoisting towers, adjustable steel post shores.

72812—2

Drugs, Cosmetics, Tobacco



THIS CATEGORY covers a fairly wide group of products. An English firm, for example, is showing perfumes "distilled from fragrant English flowers". Hard-by, a fellow Britisher will display his special line of asthma preparations, inhalers, and other pharmaceuticals. A German company is introducing its line of paper products, from tissues and disposable diapers to gift wrappings and shoulder pads. Two Dutch firms are featuring cigars and one Canadian company will show cigarettes and other tobacco products.

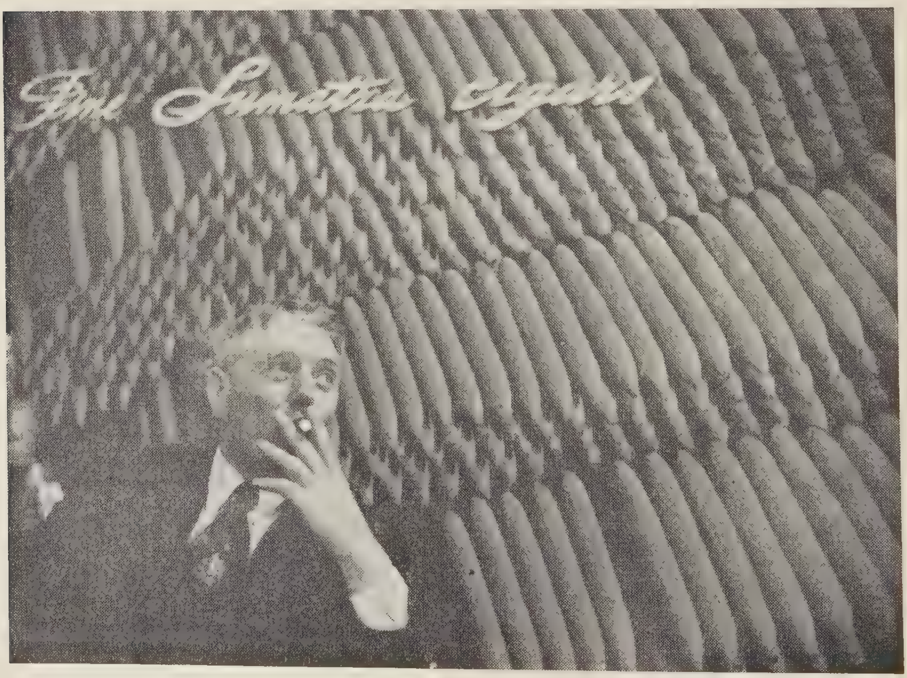
Space Taken: 840 sq. ft. (Comparative figures are useless because in 1952 this category included scientific instruments and excluded tobacco.)

Countries Exhibiting: Canada, Austria, Germany, the Netherlands, the United Kingdom.

Leading Exhibitors: Germany, Netherlands, and the United Kingdom, each with 240 sq. ft.

CANADA

W. C. Macdonald Inc. .... Tobacco products.
Montreal, Quebec.



AUSTRIA

Adolf Lichtblau & Co. .... Wien VII.	Smokers' supplies.

GERMANY

"4711" Ferd Muehlers .... Koeln Ehrenfeld.	Eau de Cologne, perfumed eau de Cologne, perfumes, soaps, powder, brillantine, creams, lotions.
Vereinigte Papierwerke Schickedanz & Co. Nurenberg.	Sanitary napkins, paper napkins, drop absorbers, paper handkerchiefs, disposable diapers, gift wrappings, cover papers, shoulder pads.

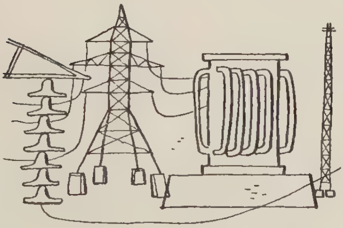
NETHERLANDS

Royal Cigar Works Smit & Ton Hove.... Kampen.	Dutch cigars.
N. V. Vereenidge Tabaksindustrieen Mignot & De Block .... Eindhoven.	Cigars.

UNITED KINGDOM

D. S. Badwal .... Blackpool.	High-class perfumes, obtained from fragrant English flowers.
Riddell Products Ltd. .... London.	Asthma preparations, inhalers, pharmaceutical preparations.

Electrical Equipment



CANADA takes pride of place in this particular category, with exhibits that run the electrical gamut. One of the interesting devices on display will be an infra-red pyrometer for locating faulty joints on overhead power lines. High fidelity fans will find speakers and radio cabinets from Canada and microphones and loudspeakers from Austria. New developments in the electronics field, and industrial and power equipment of many types, complete the picture.

Space Taken: 8,400 sq. ft. Last year: 8,820 sq. ft.

Countries Exhibiting: Canada, Austria, Belgium, Germany, United Kingdom, United States.

Leading Exhibitor: Canada, with 4,200 sq. ft.

CANADA

Bedard-Girard Ltd. .... Montreal, Quebec.	Bull motors; electric motors, standard, industrial and super silent.
Brush Aboe (Canada) tLd. .... Toronto, Ontario.	Diesel engines, diesel generating sets, electric motors.

Canada EMA Co. Thornbury, Ontario.	Induction heating equipment for hardening, brazing, melting, motor generating sets, 10 to 140 kw.
Canada Wire & Cable Co. Ltd. Toronto, Ontario.	Every type of electrical conductor, steel wire rope for every purpose.
Canadian Marconi Co. Mount Royal, Quebec.	Electronic and radio communication devices.
Canadian Westinghouse Co. Ltd. Hamilton, Ontario.	Electrical apparatus for industry and power companies.
Copper Wire Products Ltd. Toronto, Ontario.	Speakers of all sizes; transformers; radio cabinets.
Eastern Electrical Supply Co. Montreal, Quebec.	Air-cooled transformers, fuses, lightning arresters.
Elox Corporation of Canada Ltd. Montreal, Quebec.	Dual-purpose electron drills, drills and die salvage.
International Resistance Co. Ltd. Toronto, Ontario.	Speakers of all sizes, transformers, radio cabinets, resistors of all types, controls, radio, television and electrical components.
J. R. Longstaffe Ltd. & Associates Toronto, Ontario.	Radio, television and electrical components.
Renfrew Electric Co. Ltd. Renfrew, Ontario.	Electrical appliances and hardware.
Rogers Majestic Electronics Ltd. Toronto, Ontario.	Apparatus.
Sinclair Radio Laboratories Ltd. Toronto, Ontario.	Special antennas, microwave measurement equipment, radio frequency equipment and components, infra-red pyrometer for the location of faulty joints on overhead power lines.
Square D Company Canada Ltd. Toronto 15, Ontario.	Low voltage distribution equipment and motor controls.
Swedish General Electric Ltd. Toronto, Ontario.	Industrial and power equipment of all types.

AUSTRIA

AKG—Akustische und Kinogeraete GesmbH. Wien XV.	Various types of microphones and loud-speakers.

BELGIUM

E. S. Appareillage Electrique Eupen.	Electrical apparatus.

GERMANY

Buettner-Werke A.G. Krefeld.	Dryers and crushers.
Eberhard Bauer GmbH. Esslingen A.N.	Electrical motors, three-phase gear motors, three-phase drum-motors.
Ema Elektro-Maschinen K. G. Schultze & Co. Hirschhorn/Necker.	Induction heating equipment for hardening, brazing, melting; motor generator sets, 10 to 140 KW.
Meister & Schlingen/Siepen Wuppertal Cronenberg.	Tools of every description.
Metabowerk K. G. Nuertingen/Wuertt.	Gasoline hand drills; hand tools; electric tools.
Osram GmbH KG. Berlin NW 87.	Special electric lamps, photoflashes, diamond dies, tungsten and molybdenum moulded parts.
H. von Wichmann Kom.-Ges. Hamburg.	Centrifuge motor with separator; band saw, tools.

UNITED KINGDOM

Brentford Transformers Ltd. London.	Voltage regulators for controlling industrial equipment, stabilizing supply systems.
British Insulated Callender's Cables Ltd. London.	Shunt bank capacitors, crane current collector equipment, high voltage cables.
Brooks Motors Ltd. Empress Works Huddersfield.	Alternating current electric motors, control gear, fractional h.p. motors.
Brush Aboe Group of Companies London.	Diesel engines, diesel generating sets, electric motors.

General Electric Co. Ltd. London.	Everything electrical for industry and the home.
Keith Blackman Ltd. London.	Fan engineering equipment, dust collecting units, etc.
Pearce Transformer Co. Ltd. & Pearce Signs Ltd. London.	Various types of illuminated lettering, various types of transformers for electronic and power application.
A. West & Co. Ltd. Brighton, Sussex.	Industrial motor controls, magnetic starters, manual and automatic control accessories.

Diesel Engines, Power Equipment

CANADA

Canadian Car and Foundry Co. Ltd. Montreal, Quebec.	Diesel engines.
Russel-Hipwell Engines Ltd. Owen Sound, Ontario.	Diesel engines.
F. Perkins (Canada) Ltd. Toronto, Ontario.	High speed diesel engines for agricultural, industrial and marine use.

GERMANY

Hinz Elektromaschinen und Aggregatebau Braunschweig.	Diesel motors.
Ad Struver, Aggregatebau Hamburg 20.	Self-contained, air-cooled diesel-generator for power and lighting; portable welding set with air-cooled diesel engine for arc welding.

UNITED STATES

Cummins Engine Co. Inc. Columbus, Ind.	Diesel engines.

Farm Implements and Equipment

MODERN AGRICULTURAL MACHINERY that simplifies and speeds up the farmer's work will hold the spotlight in this small but important section. Four well-known Canadian companies have taken space to display tractors and farm machinery, centrifuges, food processing equipment, freezers, milk coolers, etc. One German firm will also participate.

Space Taken: 1,080 sq. ft. Last year: 1,940 sq. ft.

Countries Exhibiting: Canada, Germany.

Leading Exhibitor: Canada, with 960 sq. ft.

CANADA

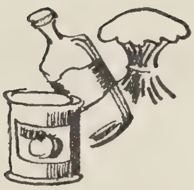
The De Laval Co. Ltd. Peterborough, Ontario.	Centrifuges—for chemical, brewery, starch, oil industries; plate heat exchangers; stainless steel processing equipment.
Massey-Harris Co. Ltd. Toronto, Ontario.	Tractors and modern farm machinery.

Thermidaire Corporation Ltd. .... Toronto, Ontario.	Steam traps; hydro-misers; boiler water treatment; descalent; degreasant compound.
W. C. Wood Co. Ltd. .... Guelph, Ontario.	Home and farm freezers, milk coolers, grain grinders and rollers.

GERMANY

Paul Funke & Co., GmbH. .... Berlin N 65.	Milk testing centrifuges and appliances, sedimentary centrifuges.

Food Products, Beverages



EXHIBITS UNDER THIS HEADING range from the staple foods that make up a large part of Canada's exports to delicacies from foreign countries to tempt the jaded palate. New features include a display arranged by the Fisheries Council of Canada, covering fresh, frozen, canned, smoked, dried, salted and pickled fish, and also fish by-products. Another Canadian newcomer is the Saskatchewan Co-operative Producers Ltd., showing wheat flour. Several Canadian firms will show alcoholic beverages.

To turn to more exotic foods, India, a first-time exhibitor under this category, will display currie, pickles, special condiments, and Indian tea. From Ireland come fruit cakes and specialties like "Irish pot still whisky"; from Britain, beverages with unmistakably English names—Golden mead ale and oyster stout. South Africa is sending a selection of its well-known wines and brandies.

Space Taken: 7,560 sq. ft. Last year: 7,080 sq. ft.

Countries Exhibiting: Canada, Australia, Austria, Bahamas, Belgium, British Guiana, British West Indies, France, India, Ireland, Italy, South Africa, United Kingdom.

Leading Exhibitor: Canada, with 4,920 sq. ft.

CANADA

Beardmore & Co., Ltd., Gordon .... Oakville, Ontario.	Dehydrated food products, soups, etc.
Brading Breweries Ltd. .... Ottawa, Ontario.	Ale, lager, brown stout.
Calvert Distillers Ltd. .... Montreal, Quebec.	Whisky, gin, rye whisky.
Canadian Canners Ltd. .... Hamilton, Ontario.	Canned fruit, fruit juices, jams and conserves, olives, pickles, tomato ketchup and paste.

Canadian Flour Export Committee .... Toronto, Ontario.	Canadian wheat flour.
Captain Morgan Rum Distillers Ltd. ...... Montreal, Quebec.	Rums.
Chateau-Gai Wines Ltd. .... Toronto, Ontario.	Port, sherry, champagne, sparkling burgundy, dinner wines, vermouths, grape juice.
Christopher Columbus Rum Co. Ltd. .... Montreal 2, Quebec.	Rum.
The Distillers Co. Ltd. .... Toronto, Ontario.	Scotch whisky.
Fisheries Council of Canada .... Ottawa, Ontario.	Fish and shelled fish—fresh, frozen, canned, smoked, dried, salted, pickled; fish by-products.
The Gaspesian Marine Products Ltd. .... Montreal, Quebec.	Canned cod fillets, canned cod liver, canned peas, canned lobster, canned cod liver oil (medicinal and feeding), fishmeal.
W. & A. Gilbey Ltd. .... New Toronto, Ontario.	Rye whisky, gin, Scotch whisky, rum, wines, liqueurs.
Gooderham & Worts Ltd. .... Toronto, Ontario.	Alcoholic beverages.
Johnson & Sons, Ltd., Arthur .... Toronto, Ontario.	Packaged soup powder
Jubilee Brewery Ltd. .... Ottawa, Ontario.	Golden mead ale, stout, oyster stout, old English ale.
John Labatt Ltd. .... London, Ontario.	Fine ales, pilsener and lager beer.
Alfred A. Lieblich .... Montreal, Quebec.	Holland's tested foods.
McLarens, Ltd. .... Hamilton, Ontario.	Plain and stuffed olives, sweet pickles, pudding powders, ice cream powders, peanut butter.
Melchers Distilleries Ltd. .... Montreal, Quebec.	Geneva gins, dry gins, highland rye and imported Scotch whiskies.
O'Keefe Brewing Co. Ltd. .... Toronto, Ontario.	Ale, beer, double stout.
Ontario Cheese Producers' Marketing Board .... Belleville, Ontario.	Cheese.
Saskatchewan Co-operative Producers Ltd. .... Regina, Saskatchewan.	Flour.
Joseph E. Seagram & Sons Ltd. .... Montreal, Quebec.	Canadian whisky, gin.
Southern Comfort .... Montreal, Quebec.	Liqueur.
Hiram Walker & Sons Ltd. .... Walkerville, Ontario.	Alcoholic beverages.

AUSTRALIA

Seppelt & Sons Ltd. B. .... Adelaide.	Sherrics and ports.

AUSTRIA

Napoli-Ragendorfer & Co. .... Wien VI.	Candies.

BAHAMAS

Myers Rum Co. Ltd. .... Nassau.	Jamaica rum.

BELGIUM

Sardinerie Du Littoral, Sprl. .... Bredene-Ostende.	Canned fish products
Usines De Beukelaer, Biscuits et Chocolats, S.A. .... Antwerp.	Biscuits and chocolates.

BRITISH GUIANA

Davson & Co. Ltd., S. .... Georgetown.	Demerara rums.

BRITISH WEST INDIES

Doorly & Co. Ltd., Martin .... Bridgetown, Barbados.	Barbados rum.

FRANCE

Cointreau .... Angers.	Cointreau liqueur.
Godet, Etab. du Cognac .... La Rochelle.	French cognacs
Lanson Pere & Fils .... Rheims.	Champagne.

INDIA

Government of India .... New Delhi.	Indian tea, currie, pickles, condiments, unique Indian flavoured foods.

IRELAND

Bolands Ltd. .... Dublin.	Irish rich fruit cake, Irish sultana fruit cake.
Gato's Limited .... Dublin.	Cake, rich fruit cake, flour confectionery, Irish fruit cake, Irish rich fruit cake.
John Jameson & Son Ltd. .... Dublin.	Irish pot still whisky.
Tullamore Distillery Co. .... Tullamore.	Liqueur, Irish pot still whisky, Irish mist whisky liqueur.
D. W. Williams Ltd. .... Tullamore.	Liquor, Irish pot still whisky, Irish mist whisky liqueur.

ITALY

Martini & Rossi S.A. .... Torino.	Sweet and dry vermouth, Asti Spumante, Chianti Melini and Orvieto Melini.

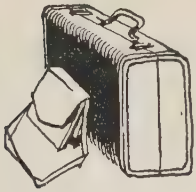
SOUTH AFRICA

Co-operative Winegrowers Association of S.A. .... Paarl.	Brandies, wines, sparkling wines, liqueurs, vermouths.

UNITED KINGDOM

Ballantine & Son Ltd., George .... Dumbarton.	Scotch whiskies
Buchanan & Co., Ltd., James .... Glasgow.	Scotch whiskies.
Bullock Lade & Co. Ltd. .... Glasgow.	Liqueur whiskies.
Castletown Brewery Ltd. .... Isle of Man.	Manx oyster stout containing real oysters.
Dewar & Sons Ltd., John .... Perth.	Scotch Whisky.
Gonzalez, Byass & Co. Ltd. .... London.	Sherries and ports.
Grant & Sons Ltd., William .... Glasgow.	Scotch Whisky.
Haig & Haig Ltd. .... Edinburgh.	Scotch Whisky.
Hope and Anchor Breweries Ltd. .... London.	Beers and stouts.
Maconochie Foods Ltd. .... London.	Canned meat, fish, fruits, pickles.
McCallum Limited D. & J. .... Leith.	Scotch Whisky.
Ross & Brother Ltd., W.A. .... Leith.	Sloe gin, apricot brandy, cherry brandy, cherry whisky and orange bitters.
Tanqueray, Gordon & Co. Ltd. .... London.	Dry gin.
Walker & Sons, Ltd., John .... Kilmarnock, Scotland and London.	Scotch whisky, whisky.
White Horse Distillers Ltd. .... Glasgow.	Scotch whisky.

Footwear, Leather, Leather Products



IN OTHER YEARS, this section has concentrated on attractive leather goods for the retail trade—carefully crafted handbags, wallets, briefcases, travelling sets. Now Irish Tanners Ltd. is introducing a new note by showing sole and insole leathers and other pieces for the shoemaking trade. From Newfoundland comes a display of rubber footwear and clothing, foam rubber mattresses, industrial and medical rubber goods.

Space Taken: 1,440 sq. ft. Last year: 720 sq. ft.

Countries Exhibiting: Canada, Austria, Belgium, Germany, Ireland, Spain.

Leading Exhibitors: Austria, Belgium, and Germany, with 240 sq. ft. each.

CANADA

Superior Rubber Co., Ltd. .... Holyrood, Newfoundland.	Rubber footwear and clothing, foam rubber mattresses and cushions; rubber products for industrial and medical purposes.

AUSTRIA

Schulz, Franz .... Wien 1.	Leather goods.
Semperit-Oesterreichisch-Amerikanische.. Wien 1.	Rubber goods.
Sipka, Michael .... Wien 1.	Shoes.

BELGIUM

Godtbil (Firme Georges) Priora .... Brussels.	Leather goods.
Ipsa, S.A. .... Brussels.	Soft plastic goods by electronic sealing; leather goods.
Lacher (Etablissements M.) .... Brussels.	Leather goods.
Van Den Bogaerde G. & A. .... Fabrique de Cadres et Moulures d'encadrement. Ghent.	Picture frames, oval, and mouldings.

GERMANY

Baier, Hanack & Rauch, Lederwaren .... Offenbach am Main.	Leather goods.
Karg & Haertlein, Lederwaren .... Offenbach am Main.	Leather goods.
United Trading Company GmbH .... Frankfurt am Main.	Leather goods.

IRELAND

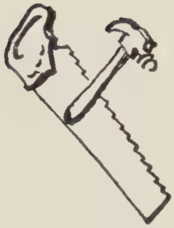
Irish Tanners Ltd. ....' Portlaw.	Sole and insole leather of all types; bends, bellies and shoulders.

SPAIN

F. Nestares, S. L. .... Madrid.	Leather goods, handbags, jewellery boxes.

72812—3

Hardware, Smallwares



THE AVERAGE MAN seldom passes up an opportunity to spend a half-hour or so browsing in a well-stocked hardware store. It's therefore hardly surprising that this section of the Trade Fair never fails to attract attention. The displays will cover all types of hardware, lighting appppliances, flatware, tinware, cutlery, flashlights, gardening equipment, etc.

One Canadian company which specializes in woodenware writes that it will be exhibiting "almost every conceivable type of manufactured wooden article, from a toothpick to a lawn chair". Another Canadian firm will show the latest in aluminum extension ladders. From England comes the newest in saws and in gardening tools; Germany will show tools for the automotive and hardware trades, scissors, hairdressers' and barbers' tools.

Space Taken: 3,120 sq. ft. Last year: 4,200 sq. ft.

Countries Exhibiting: Canada, Austria, France, Germany, Sweden, United Kingdom.

Leading Exhibitor: Canada, with 1,920 sq. ft.

CANADA

Baribeau & Son, Levis, Quebec.	Woodenwares and housewares.
Chesley-Sarnes of Canada Ltd., Essex, Ontario.	Aluminum extension ladders.
Horn & McKellar Trading Co., Toronto, Ontario.	Toys, sponges, polishing materials, car cleaners.
Imex Co. of Canada, Toronto, Ontario.	Cutlery; clocks; dental instruments; garden tools; kitchenware; tools; precision instruments.
Kruger Manufacturing Co. Ltd., Toronto, Ontario.	Canadian manufactured flashlights.
Precision Gear (Canada) Ltd., Toronto 13, Ontario.	Magic mirrors; door hardware products.
Frank H. Scott & Sons, Montreal 1, Quebec.	Leather goods, manicure sets, scissors, hairdressers' and barbers' tools.
Welland Vale Manufacturing Co. Ltd., St. Catharines, Ont.	Axes, steel bars, hacksaw blades, crowbars, cultivators, farm forks, hoes, spades, saws.
G. Wolff, Montreal, Quebec.	Hand tools, scissors, pinking shears, wood screws.

AUSTRIA

Neuzeoughammer, Messer- und Stahlwarenfabrik GesmbH., Neuseug/Steyr, O. Oe.	Cutlery.

FRANCE

Minel, Pierre, Paris (9e).	Cutlery.

GERMANY

Giesen & Forsthoff, Solingen.	Leather goods, manicure sets, scissors, hairdressers' and barbers' tools.
Gedore Werkzeugfabrik, Remscheid Luettringhausen.	Hand tools, single and sets, for automotive and hardware trades.
Maschinenfabrik Hermann Scharfen, Witten Ruhr.	Slicing machines.

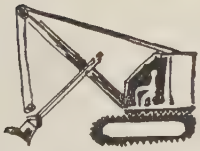
SWEDEN

Filfabriks-Aktiebolaget, Forserum.	Saw files.
Jarnbirger Aktiebolag, Orsa.	Saws and chains of different types; (does not include power saws).
Kronan Metallfabrik, Eskilstuna.	Wood chisels.
Andersson, Carl, Mora.	Hunting knives.

UNITED KINGDOM

Abraham Ashton & Sons Ltd., Sheffield 3.	Saws—hand, tenon, compass, printing, and nests of saws.
Brookfield Tool Co. Ltd., Walsall.	Garden tools; secateurs, garden shears.
Wm. Cooper Hand Tools Ltd., Sheffield 3.	Shoe, linoleum, palette, putty, stripping and hacking knives; artist's painting knives.
Elliott, John H., Sheffield.	Monoloy cold chisels.
Lawson & Heaton, Birmingham.	Bricklayers' trowels, stainless steel garden trowels and weed forks.
Wilson (Sheffield) John, Sheffield.	Double shear process butchers' knives; boning knives and steels.

Heavy Construction and Road-Building Equipment



MIDWAY BETWEEN the Coliseum and the Automotive Building, the visitor will come upon a mechanized "road show". Great machines, gaily painted in red, blue, green or orange, lend colour to the scene. Earth-moving equipment, diesel dump trucks, mobile cranes, concrete mixers, stand ready for visitors to examine and perhaps take a hand in operating them.

One company will show a new five-yard transit mixer for preparing concrete, plus transmission equipment for the mix operators and a new tool for placing the concrete. Another will exhibit a self-propelled mobile crane that features special safety devices, such as a safe load indicator, safety limit switches, and gasoline-electric control, replacing clutches.

A mammoth exhibit in this section is a hook block weighing eight tons that is capable of lifting 90 tons. Exhibited by a Canadian firm, the hook block stands eight and a half feet and is used in steel foundries and other heavy industries. This firm will also exhibit a model of the Granville Street Bridge in Vancouver, which it is building—the only eight-lane highway bridge on the continent outside of New York.

Firms which handle scrap metals will make a point of seeing a portable baling press which turns out scrap metal bales at the rate of about $1\frac{1}{2}$ to 2 tons an hour.

Initiated as an experiment last year, this section now is the second largest in the Fair, with Canada, the United Kingdom and the United States making a particularly strong showing.

Space Taken: 44,380 sq. ft. (Approximately double that of last year, but some re-arrangement of categories makes accurate comparison impossible.)

Countries Exhibiting: Canada, Belgium, Germany, Netherlands, United Kingdom, United States.

Leading Exhibitor: Canada, with 25,420 sq. ft.

CANADA

Chaseside Engineering Co. (Canada) Ltd. Unionville, Ontario.	Front-end loaders.
Construction Equipment Co. Ltd. .... Montreal, Quebec.	Contractors and industrial equipment.
Contractors Machinery and Equipment Ltd. .... Hamilton, Ontario.	Construction, industrial and farm machinery, materials handling equipment.
Dominion Bridge Co. Ltd. .... Montreal, Quebec.	Steel fabrication, including bridges, steel frame buildings, cranes, boilers, platework, gratings, etc., also warehouse steel supplies and aluminum scaffolding.
Eirich Mixers of Canada .... Toronto, Ontario.	Counter-current rapid mixers for every manufacturing and testing application in construction, chemical and other major industries.
G. H. Godsall Equipment Ltd. .... Toronto, Ontario.	Construction and road-building equipment.
Hamilton Bridge Co. Ltd. .... Hamilton, Ontario.	Trucks and detachable containers, hydraulic balers for metals, hydraulic presses for baling metals.

F. H. Hopkins and Co. Ltd. .... Montreal, Quebec.	Power shovel, 20-ton capacity transit crane, tractors, bulldozers and loaders, concrete and plaster mixers, road rollers.
London Concrete Machinery Co. Ltd. .... London, Ontario.	Concrete mixers; self-priming centrifugal pumps; hoists; portable irrigation.
Plant Maintenance Equipment Co. .... Toronto, Ontario.	Maintenance equipment for plant and municipal use.
Skiltools Ltd. .... Toronto, Ontario.	Portable electric and pneumatic hand tools; radial saws; woodworking equipment.
Sumner Equipment Ltd. .... Toronto, Ontario.	Specialized truck and utility construction equipment; earth boring machines; four-wheel drive trucks; brush chippers and hydraulic hoists.
Truck Engineering Ltd. .... Woodstock, Ontario.	Low-bed machinery trailers, utility bodies, winches, transport semi-trailers.
United Steel Corporation Ltd. .... Welland, Ontario.	Concrete mixers; weight batchers; central mix plants; concrete transporting equipment.

BELGIUM

S.G.M.E. (Societe Generale de Materiel d'Entrepreneurs, S.A.) .... Antwerp.	Bar croppers and bar benders; concrete road machines; contractors' equipment.

GERMANY

Delmag Maschinenfabrik .... Esslingen A N.	Power rammers for tamping earth and concrete.
H. Weyhausen Maschinenfabrik .... Bremen.	Cranes, hydraulic, industrial and agricultural; tractor mounted leader, hydraulic, industrial; agricultural tractor mounted.

NETHERLANDS

Mulder, N. V. .... Boskoop.	Contractors' hoists, rubber wheels, automatic variable hoists, electric and gasoline.

UNITED KINGDOM

Acrow (Engineers) Ltd. .... London.	Plant and equipment used in building and civil engineering construction.
John Allen and Sons (Oxford) Ltd. ...... Cowley.	Ditcher (trencher), motor scythe.
Aveling Barford Ltd. Invicta Works .... Grantham.	Diesel and gasoline road rollers, dumpers, contractors' and builders' plant.
George Fowell Ltd. .... Birmingham.	Light dumper and concrete mixer.
Holman Bros. Ltd. .... Camborne.	Compressed air equipment for mining, construction and other industries.
Padley and Venables Ltd. .... Sheffield.	Pneumatic tool accessories, breaker steels, coal cutter bits, tungsten carbide steels.
Priestman Bros. Ltd. Holderness Engineering Works .... Hull.	Crowd shovel and clamshell crane.
Telehoist Ltd. .... Cheltenham.	Underbody tipping gears and hydraulic equipment for loading materials.
Vickers-Armstrong .... London.	Construction and road-building equipment.
Winget Ltd. .... Rochester.	Continuous type trench excavating machine.

UNITED STATES

American Hoist and Derrick Co. .... St. Paul, Minn.	Locomotive cranes, truck-mounted cranes, crawler excavators, contractors' hoists, steel derricks, cable clips.
American Tractor Corp. .... Churubusco, Ind.	Gasoline and diesel tractors, angledozers, bulldozers and loaders.
Baldwin-Lima-Hamilton Corp. Lima-Hamilton Division .... Lima, Ohio.	Construction and road equipment.
Bucyrus-Erie Co. .... South Milwaukee, Wis.	¾ cu. yd. power shovel and 20 ton capacity transit crane.

Davey Compressor Co. .... Kent, Ohio.	Contractors' and industrial air compressors, power take-offs, field service trucks.
Dreyer Vibrator Co. .... Los Angeles, Calif.	Concrete vibrators, gasoline and electric-driven.
The Euclid Road Machinery Co. .... Cleveland 17, Ohio.	Construction and road equipment.
Gilson Bros. Co. .... Fredonia, Wis.	Concrete and plaster mixers, pulverizers.
Griffin Wellpoint Corp. .... New York, N.Y.	Dewatering systems, pumps, wellpoints.
Harnischfeger Export Corp. .... Milwaukee, Wis.	Power cranes and shovels, single pass soil stabilizers, electric mining shovels, truck cranes.
Knickerbocker Co. .... Jackson, Mich.	Concrete and plaster mixers.
Marlow Pumps .... Ridgewood, N.J.	Pumps—contractors, irrigation, centrifugal, diaphragm, sludge, gasoline, etc.
Schield Bantam Co. .... Waverly, Iowa.	Truck mounted cranes, excavators.
The Thew Shovel Co. .... Lorain, Ohio.	Power shovels, draglines, etc.
Upright Scaffolding Inc. .... Berkeley, Calif.	Aluminum alloy scaffolding.
Yale and Towne Mfg. Co. .... Philadelphia.	Gas, electric, diesel-powered industrial trucks; worksavers; warehousers; hand lift trucks; hand and electric hoists.

Household Furnishings and Appliances

ONE OF THE LARGEST and most popular in the Fair, this section features "everything for the house". That phrase covers crystal chandeliers and a special cleaner for rubber tiles; hair-dryers and Venetian glassware, rattan baskets and Dutch baroque furniture. The buyer can examine carpets from Germany, cutlery and cowbells from Austria, aluminumware from Hong Kong, floor polishers from the Netherlands, a variety of up-to-date kitchen equipment made in Canada—all without leaving this one section.

Among the exhibits will be:

- A sewing machine sold by a Montreal firm which sews forward and reverse, makes buttonholes, monograms, embroiders, appliques, and sews on buttons, without using special attachments.

- A display of hand-made Oriental rugs and carpets from ten different countries.

- A line of ovenware, designed especially for cooking in electric stoves.

Space Taken: 18,900 sq. ft. (including Handicrafts and Ornamental Goods). Last year: 13,540 sq. ft.

Countries Exhibiting: Canada, Austria, Belgium, Germany, Hong Kong, India, Ireland, Japan, Netherlands, United Kingdom, United States.

Leading Exhibitor: Canada, with 8,940 sq. ft.

Household Furnishings

CANADA

S. J. Aliman .... Toronto, Ontario.	Oriental rugs, carpets.
Amrex Co. .... Toronto, Ontario.	Tableware, hotelware, stainless steel cutlery, gift cutlery, shaving brushes, advertising specialties and smallwares.
Bacon Basketware Ltd. .... Toronto, Ontario.	Willow and rattan baskets.
Burman Importing Co. (Canada) Ltd. .... Toronto, Ontario.	Enamelled kitchen ware, stainless steel kitchen tools, kitchen strainers, etc.
Ekco Products Co. (Canada) Ltd. .... Toronto, Ontario.	General housewares, kitchenware, cutlery, gadgets, flatware, tinware, kitchen tools.
Electro International Ltd. .... Toronto, Ontario.	Commercial, industrial and residential fluorescent lighting.
Steel Kitchen Equipment Co. Ltd. .... Toronto, Ontario.	All steel kitchen sink units and wall cabinets, office equipment, factory equipment in steel.
Supreme Aluminum Industries Ltd. ...... Toronto, Ontario.	Aluminum cooking utensils.
A. L. Wynston Jr. Ltd. .... Toronto, Ontario.	Lighting fixtures, portable lamps, floor lamps.

AUSTRIA

Collini, Johann .... Hohenems, Vorarlberg.	Cutlery.

BELGIUM

Laminoirs De Thimeon, S.A............. Brussels.	Enamelled household ware.
Simon & Denis S.A. (Etablissements).... Carnieres.	Household articles.
Trade and Technique Corporation S.A.... Antwerp.	Chandeliers (carved wood, metal, etc.); shades for lighting fixtures; lighting fixtures; fluorescent lighting fixtures and accessories; glassware.
Travail Mecanique de la Tole, S.A. ...... Brussels.	Sheet metal work.

GERMANY

Algrohget Gardinenmanufaktur .... Berlin.	Carpets and rugs; Brussels curtain materials, posamentiers.
Braun & Kemmler .... Reutlingen-Betzingen.	Enamelled kitchenware; stainless steel kitchen tools; kitchen strainers; frying pans.
Busch-Mobel-Werk, Inh. Hans Busch .... Hamburg.	Dutch baroque furniture.
Deyhle, Silberwarenfabrik, Gebrueder ... Schwaebisch-Gmuend.	Silverware.
Ernst Palme .... Bredelar-Westfalen.	Crystal chandeliers.
Grasol Werk GERB. GRAH. .... Solingen.	Stainless steel tableware; scissors and scissor sets; letter openers; desk sets.
Textilwerk Franken GmbH. .... Franken.	Upholstery cloth.

HONG KONG

Diaward Steel Works .... Hong Kong.	Hardware, aluminum and enamelware.

UNITED KINGDOM

S. J. & E. Fellows Ltd. .... Wolverhampton.	Hollow-ware and metal pressings for all purposes.
Harrison Fisher & Co. Ltd. .... Sheffield.	Carving sets, hunting knives, steak sets.
N. C. Joseph Ltd. .... Stratford-on-Avon.	Stainless steel copper bottomed cooking utensils, domestic hollow-ware, industrial equipment, barrels and drums, pressings in aluminum and stainless steel.
Nutbrown Ltd., Thos. M. .... Blackpool, Lancs.	Household kitchen utensils and gadgets, hollowground and serrated knives.

Household Appliances

CANADA

Alfa Sewing Machines .... Montreal, Quebec.	Sewing machines and accessories .
Beatty Bros. Ltd. .... Fergus, Ontario.	Electric home appliances, electric pumps, barn equipment.
Designs for Industry .... Port Credit, Ontario.	Industrial designs of products, product packaging, merchandising techniques, production machinery.
John Inglis Co. Ltd. .... Toronto, Ontario.	Wringer washing machines, automatic washers and dryers, gas and water heaters, fishing tackle.
Frank P. Lalonde Ltd. .... Dorval, Quebec.	Electric floor machines, mopping trucks, industrial vacuum cleaners and flux recovery units.
Gordon A. MacEachern .... Toronto, Ontario.	Soaps, waxes, floor finishes, rubber tile cleaners, scrubbing and polishing machines.
Mortemp Co. of Canada Ltd. .... Toronto, Ontario.	Portable space heaters.
Necchi Sewing Machines (Canada) Ltd... Montreal, Quebec.	Plain and universal zig-zag sewing machines for domestic use and light industry.
Pfaff Sewing Machine Co. of Canada Ltd. Montreal, Quebec.	Sewing machines with exclusive "dial-a-stitch" feature.
Sigmar Manufacturing Co. .... Toronto, Ontario.	Record players and amplifier combinations.
Silvene Products Co. of Canada Reg'd.... Toronto, Ontario.	Dip type cleaner
Wilkins-Servis Electric Washing Machine Co. (Can.) Ltd. .... Toronto, Ontario.	Washing machines and refrigerators.
F. Vos Reg'd. .... Montreal, Quebec.	No details available.

AUSTRIA

Grassmayer, Johann .... Innsbruck.	Cowbells.
Messerschmitt GesmbH. .... Innsbruck, Tirol.	Sewing machines.
Payer, Eduard .... Graz.	Electric razors, mixers, vacuum cleaners.

GERMANY

FR M. Daubitz Gummiwerk .... Berlin Rudow.	Surgical, household and industrial protection gloves, special rubber drains.
Porit Gummifabrik Conrad Zucht KG .... Berlin Marienfelde.	Sponge rubber articles, sponges, bathroom mats, sheets, strips, liners and bases.
T. A. V. Technische Apparate-Vertriebs Ges. GmbH. .... Koeln.	Electric radiators, washing-pots, stoves, auto-coffee-machines; temperature regulators; massage apparatus.

HONG KONG

Dah Chung Industrial Co. Ltd. .... Hong Kong.	Hand sewing and art needles; wood and machine screws.

NETHERLANDS

N. V. Rudolf BLIK .... The Hague.	Vacuum cleaners, floor polishers, combined vacuum cleaners and floor polishers, mixers, hairdryers, electric heaters.
Verkoopkantoor Van Der Heem N. V. .... The Hague.	Domestic and industrial cleaners, single and three disc floorpolishers, fans, drills.

UNITED KINGDOM

Boyle and Son .... Leeds.	Soaps, waxes, floor finishes, rubber tile cleaners, scrubbing and polishing machines, industrial vacuum cleaners, woven carpet.
Kenwood Manufacturing Co. Ltd. .... Old Woking.	Food mixers.
Lion Stamping Co. Ltd. .... Stratford, London.	Domestic and industrial oil, gasoline and kerosene space heaters, manual and mechanical.
Richards & King (Gt. Britain) Ltd. ...... Stratford, London.	Surgical and household scissors, hospital equipment, oil stoves and lamps.

Handicrafts, Ornamental Goods

CONCENTRATED in this one section of the Fair, buyers can find crystalware, ceramics, brass and copper objects, the work of highly skilled craftsmen in many countries. From Vienna come original oil paintings; from the Tyrol, crystal and ceramics; from India, intricately carved furniture made from native woods and Indian rugs; from Japan, bamboo products, and from Ireland, decorated Waterford glass. Austria and Ireland, incidentally, are newcomers to this section and Japan has enlarged her exhibit considerably.

A Nova Scotia firm is showing religious articles in a mother of pearl finish derived from fish scales, over a plastic base. This particular technique is said to be new to Canada.

Because this is a sub-category under "Household Furnishings and Appliances", there are no separate statistics.

Countries Exhibiting: Canada, Austria, Belgium, Germany, India, Ireland, Japan, Korea, Netherlands.

Leading Exhibitor: Austria.

CANADA

Bel Art Metal Casting Reg'd. Montreal, Quebec.	Metal giftware and trophies.
Bombay Trading Co. Ltd. Montreal, Quebec.	Art objects, sporting goods, footwear and rugs from India.
The Venetian Artglass Co. Ltd. Toronto, Ontario.	Hand-made venetian glasswares; Italian pottery and chinaware; electric fittings; ashtrays.
Hand Enterprises Dartmouth, Nova Scotia.	Lamps, preserved baby shoes, plastic novelties.
Noel Lighting Ltd. Toronto, Ontario.	Christmas lighting decorations.
Quebec Handicraft Centre Montreal, Quebec.	Handicrafts produced in Quebec.
Rhine Hansa Ltd. Toronto, Ontario.	Brushes (toilet, shaving, household); toiletries; chinaware, brass and silverware; vacuum flasks; decorative artwork; plastics.
Swedish Products Co. Toronto, Ontario.	Swedish art handicraft in copper, brass and glass.
Charles Tiberghien Montreal 8.	European and Moroccan novelties, blown glass, carved wood and metal, leathercraft.

AUSTRIA

Ahrner Gessellschaft Leonische Fabrik.. Tirol	Christmas tree decorations.
Goldscheider, Weiner Manufakture Freidrich Wien XVIII	Ceramics.
Otto, Rudolf Wien XIII	Original oil paintings.
Steinberger, Emanuel Wien III	Chinaware.
Thomasch, Wilhelm Sierndorf, N. Oe.	Ceramics.
Tiroler Glashuette Johann Loetz Enkel.. Kufstein, Tirol.	Crystalware.

72812—4

Wechsler, Sepp Schwaz, Tirol.	Ceramics.
Frank, Wilhelm Wien VII.	Cut glass tableware.
Witt, Carl Salzburg.	Crystalware.

BELGIUM

Cordiez (Anc. Ets. U.) S.A. Ucra Roisin-Antwerp.	Gift articles of marble, onyx and metal.
Tchecover (Verrerie de Luxe A. Landgraf) Boussu-les-Mons.	Decorated glass, hand-blown glass.
Verreries De Boussu, (S.A. des) Boussu.	Blown glass production.
Verreries De Laeken, S.A. Brussels.	Glassware.

GERMANY

Antica Groebenzell bei Muenchen.	Objets d'art, antiques, china, Meissen and Dresdenware, silverware.
Ausfuhrforderungsstelle des Zentralverbandes des Deutschen Handwerks Hanover.	Arts and crafts (wood, ivory, metal, ceramics, glass, cloth).
Bayerische Metallwarenfabrik GmbH. Nurnberg.	Tableware, glassware, hotelware, serving trays.
Dorotheenhuette, Schwarzwaelder Glaswerkstaetten Petersen & Co. KG Wolfach-Schwarzwald.	Genuine lead crystal, hand-cut and hand-blown.
Export Service Handwerk GmbH Berlin Dahlem.	Gift items.
Freies Westberliner Handwerk Export Service Handwerk GmbH. Berlin.	Gift items.
Glasbau Heinrich Hahn Frankfurt am Main.	All-plate vitrines, glass cement, glass etching, glass scales, glass showcases, mirror-paper (flexible), museum equipment.

Porzellanfabrik F. Thomas .... Marktredwitz, Werk Sophienthal.	Chinaware; figurines; glassware; lamps; tea sets.
Porzellanfabrik Waldershof Aktiengesellschaft .... Waldershof.	Chinaware; figurines; glassware; lamps; tea sets.
Rosenthal-Porzellan Aktiengesellschaft .. Abteilung, Muenchen.	Chinaware; figurines; glassware; lamps; tea sets.
Rosenthal-Porzellanfabrik Bahnhof Selb.. Bahnhof Selb.	Chinaware; figurines; glassware; lamps; tea sets.

INDIA

Government of India .... New Delhi.	Delicately carved furniture of India woods, incense, perfumes, gift novelties.

IRELAND

Waterford Glass Ltd. .... Waterford.	Glass, decorated glass, household glassware.

JAPAN

Japanese Committee for International Trade Fairs .... Tokyo.	Porcelainware, bamboo products, glassware, wooden products, toys, sewing machines, bicycles and parts, metalwares.

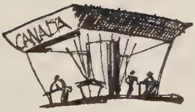
KOREA

Republic of Korea .... Seoul.	Dolls; lacquerware, pottery; books; rubber goods; brass utensils; rush, textile and bamboo products.

NETHERLANDS

P. C. Pastoor .... Enschede.	Silverware, brassware, pewter, woodenware, original oil paintings.

Institutional Exhibits



A VISITOR to this part of the Fair, whether he comes from Canada or from a foreign country, will find himself both instructed and entertained. It has an authentic international flavour: fifteen different countries have already reserved space—more than in any other category. Among the newcomers is Guatemala, with an attractive exhibit prepared by the National Tourist Bureau, Guatemala City. First-time Canadian exhibitors include the City of Sherbrooke and the Greater Niagara Chamber of Commerce, who will publicize the industrial advantages and the tourist attractions of their cities.

Many a weary fair-goer will feel grateful to the companies which provide lounge areas where he may chat with business acquaintances or merely rest his feet. One Canadian firm is setting aside a conference room for the convenience of exhibitors.

Space Taken: 11,720 sq. ft. Last year: 14,120 sq. ft.

Countries Exhibiting: Canada, Austria, Belgium, Colombia, Denmark, Finland, Germany, Guatemala, Ireland, Jamaica, Netherlands, Norway, Sweden, United Kingdom, United States.

Leading Exhibitor: Canada, with 7,560 sq. ft.

CANADA

British Columbia Electric Co. Ltd. ...... Vancouver, British Columbia.	No details available.
City of Halifax .... Halifax, Nova Scotia.	No details available.
City of Sherbrooke .... Sherbrooke, Quebec.	Products, manufacturing facilities and industrial advantages of City of Sherbrooke.
City-Wide Telephone Services Ltd. ...... Toronto, Ontario.	Telephones answered via city-wide switchboards.
Crown Life Insurance Co. .... Toronto, Ontario.	Conference room for convenience and use of all exhibitors.
Government of the Province of Saskatchewan .... Regina, Saskatchewan.	Information centre.
Greater Niagara Chamber of Commerce.. Niagara Falls, Ontario.	Information centre.
National Harbours Board .... Ottawa, Ontario.	Graphic display of national harbours.
Province of British Columbia .... Department of Trade and Industry Victoria, British Columbia.	Information centre.
Province of Newfoundland .... St. John's, Newfoundland.	Local products.
Saint John Board of Trade .... Saint John, New Brunswick.	Prestige exhibit of New Brunswick products.
Sun Life Assurance Co. of Canada ...... Montreal, Quebec.	Lounge area.
The Toronto Harbour Commissioners .... Toronto, Ontario.	Information centre.

AUSTRIA

Austrian Federal Chamber of Commerce.. Wien 1.	Information booth.

BELGIUM

Belgian Congo and Ruanda-Urundi...... Brussels.	Information on Belgian Congo and Ruanda-Urundi.
Belgium Foreign Trade Office .... Brussels.	Information on Belgian import and export trade.
Brussels, Fair of .... Brussels.	Photographs.
Port of Antwerp .... Antwerp.	Photographs of different port activities.

COLOMBIA

Flota Mercante Grancolombiana S.A. .... Bogotá, Colombia.	Information on fast freight services from East Coast Canadian and American ports direct to principal ports in Colombia, Ecuador, Venezuela.

DENMARK

Danish Government Committee on Exhibitions Abroad .... Copenhagen.	Information booth.

FINLAND

Government of Finland .... % Legation of Finland Ottawa, Ontario.	Information centre.

GERMANY

Deutsche Zentrale Fur Fremdenverkehr Frankfurt am Main.	Posters and pamphlets.
German American Tool Industry......... Duesseldorf-Oberkassel.	Pamphlets and posters
German Information Centre .... Koln-Rhein.	Information centre.
Nordwestdeutsche Ausstellungsgeskellschaft GmbH. .... Dusseldorf.	Information booth.

GUATEMALA

National Tourist Bureau of Guatemala .. Guatemala City.	Information booth.

IRELAND

Coras Trach Tala Co. .... Dublin.	Irish Dollar Export Corporation display.

JAMAICA (BWI)

Jamaica Tourist Trade Development Board .... Kingston.	Tourist information.

NETHERLANDS

K.L.M. Royal Dutch Airlines .... The Hague.	Air passenger and freight services to all parts of the world.
Netherlands Institute for the Promotion of Foreign Trade .... The Hague.	Trade information.
Oranje Lijn .... Rotterdam.	Fast passenger and freight service between Europe, Canada and Great Lakes.
Radio Nederland, International Service.. Hilversum.	Panel giving information on Dutch shortwave transmissions directed to Canada.
Utrecht International Trade Fair, ... Utrecht.	Information on the Utrecht International Trade Fair.

NORWAY

Norwegian Information Bureau .... Skoyen, Aslo.	Information booth.

SWEDEN

The General Export Association of Sweden .... Stockholm.	No details available.

UNITED KINGDOM

United Kingdom Board of Trade .... London S.W. 1.	Information on British export trade.

UNITED STATES

Board of Commissioners of the Port of New Orleans. .... New Orleans 6, La.	Port shipping facilities and transportation services, ocean and inland.

Publications

CANADA

Age Publications Ltd. .... Toronto 5, Ontario.	Publishers of Heating, Plumbing and Air Conditioning Age; Oil and Gas Heat.
MacLean-Hunter Publishing Co. Ltd. .... Industrial Newspapers Division. Toronto, Ontario.	Industrial publications serving the printing, metalworking, marine, power engineering, and packaging fields.

UNITED KINGDOM

Engineering .... London, W.C. 2.	Published weekly since 1866; covers the whole industry.
Iliffe & Sons Ltd. .... London, S.E. 1.	Publishers of technical, business and specialized journals.
Farmer & Stock-Breeder Publications Ltd. London, S.E. 1.	Publishers of agricultural journals.
Machinery Lloyd .... London, W. 1.	British Engineering Export Journal; overseas edition of Machinery Lloyd.
Machinery Publishing Company Ltd. .... London.	Machinery, Britain's weekly engineering machine tool journal, Machinery's annual Buyer's Guide.

The Machinist .... London, E.C. 4.	Technical journal of the metal-working industry.
Morgan Brothers (Publishers) Ltd. ...... London, W.C. 2.	Publishers of the Engineer, The Ironmonger, the Chemist & Druggist, the Export Review of the British Drug and Chemical Industries, Electronic Engineering.
Temple Press Ltd. .... London.	Technical, business and trade journals for industry.
Tothill Press Ltd. .... London, S.W. 1.	Trade and technical newspapers and journals.

UNITED STATES

Time International .... New York 20.	U.S.A. and International Editions of: TIME. TIME Pacific. TIME Latin America. TIME Canadian. TIME Atlantic.

"Our display was carefully examined by many foreign buyers and representatives. From the export sales point of view, the display served some useful purpose in keeping our name and products before potential future buyers. For domestic sales promotion the Fair proved to be an excellent medium. There is no doubt that continued participation in the Trade Fair has added greatly to our prestige in the industry. The Trade Fair is the best possible means of demonstrating the scope of products that we handle and our new lines."—Comment by a Canadian manufacturer and CITF exhibitor.

Jewellery and Silverware

BUYERS in search of the unusual will find something new in this section—silverware and handicrafts of distinctive design from Peru. Canadian companies will prove their versatility with displays featuring watches, watch movements, fountain pens, hollow-ware, and many types of giftware. Germany will show watches, porcelain, crystal, silverware, and the ever-popular cuckoo clocks.

Space Taken: 1,680 sq. ft. Last year: 1,400 sq. ft.

Countries Exhibiting: Canada, Austria, Germany, Netherlands, Peru.

Leading Exhibitor: Canada, with 960 sq. ft.

CANADA

The Canadian General Agencies .... Montreal, Quebec.	Watches, watch movements, watch cases, clocks, costume jewellery, hollow-ware.
Elias Bros. Inc. .... Montreal, Quebec.	Cutlery, fountain pens, leather goods, novelties, pencils, toilet sets, wallets.
Green Star Manufacturing Co. .... Toronto, Ontario.	Chromium-plated giftware, cruet sets, butter and jam dishes, teapot stands.
Oak-Birds Co. .... Toronto, Ontario.	Silverplated hollow-ware and giftware.
Parker Pen Co. Ltd. .... Toronto, Ontario.	Fountain pens, mechanical pencils, jewellery gift boxes, powder cases and watches.

AUSTRIA

Baar, Fritz .... Klagenfurt.	Watch straps, handbags, fancy jewellery, smokers' supplies.
Hoerbiger & Co., Paul, Vienna Schmuck.. Wien VII.	Fancy jewellery.
Jarosinski, L., & J. Vaugoin .... Wien VII.	Silverware.
Karla, Oskar .... Wien III.	Toilet sets.
Liszka Komm. Ges. R. & B. .... Wien 1.	Cuckoo and talking clocks.
Plangg & Pfluger .... Vorarlberg.	Wrist and pocket watches.

GERMANY

Gebruder Jauch Clock Factory .... Deisslingen, a. N.	Table and wall clocks, movements.
Graf Schaffgotsche Josephinenhuette, GmbH .... Schwaebisch-Gmuend.	Leather goods, porcelainware, crystalware, silverware, clocks, thermos bottles, special leaf-wood products.
J. M. Jackle Inh. K. H. Hauser .... Schwenningen, a. N.	Cuckoo clocks and 400-day clocks.
Karlsruher Glastechnisches Werk, Walter Schieder .... Karlsruhe-West.	Crystalware.
Kredt, Wolfgang P. .... Wuppertal-Vohwinkel.	Chandeliers, crystal; figurines, glassware—household and illuminating lampholders, porcelainware.
Krister Porzellan-Manufaktur Aktiengesellschaft .... Landstuhl.	Chinaware; figurines; glassware; lamps; tea sets.
Kulka, W. .... Oberursel, Taunus.	Leather goods, porcelainware, crystalware, silverware, clocks, thermos bottles, special leaf-wood products.

Lacher & Co. Pforzheim.	Watches; watch movements, lever and automatic.
United Trading Company GmbH. Frankfurt am Main.	Silverware, watches, porcelainware, crystalware, clocks and other gifts.
Wehrile Uhrenfabrik GmbH.	Alarm clocks, kitchen and bracket clocks, cuckoo clocks.

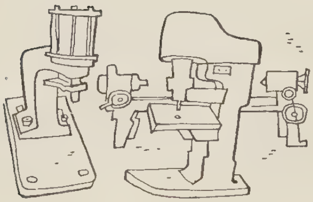
NETHERLANDS

Handelmij G. Litsche Ltd. The Hague.	Costume jewellery, aluminum jewellery, necklaces and bracelets, pins, powder compacts, Delft blue and mother of pearl articles.

PERU

Government of Peru	Silverware, leatherware and some Peruvian articles.

Machinery, Machine Tools, Plant Equipment



TOP BILLING in this year's CITF goes unquestionably to the machinery section. Reservations flowed in so rapidly that the Industries Building was soon completely booked and late-comers were given space in the Automotive Building. Last year, materials handling and construction machinery were included in this category; they have since become separate sections. Even with this re-arrangement, the machinery section is already 6,000 sq. ft. larger than last year.

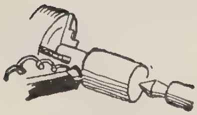
With the machines come technicians to operate them, and to answer the serious buyer's many questions. This section offers the potential customer a rare opportunity to see what machinery the various countries have to offer, to weigh and compare values before making his choice, and to find new types of machines to make his plant more efficient.

Space Taken (including the sub-categories following): 106,965 sq. ft. Last year: 100,000 sq. ft.

Countries Exhibiting: Canada, Austria, Belgium, Denmark, France, Germany, Italy, Sweden, Switzerland, United Kingdom, United States.

Leading Exhibitor: Canada, with 56,145 sq. ft.

Machine Tools



THE CITF invariably presents the machine tool buyer with an unrivalled opportunity to examine the products of many countries and to choose according to his needs. One Canadian exhibitor will show several new models, including a Canadian-made lathe, an American press brake, and a Swiss universal miller.

Over fifty member firms of the Machine Tool Trades Association in Great Britain have reserved space for a display that will rival that of the 1950 Fair. Germany will be there in strength, bringing, among other products, an upsetting machine for the precision forging of bar stock and a boring mill newly designed to give maximum performance with carbide tools. From Paris comes a multi-tool lathe with an automatic hopper; from the United States, a toolroom slotter, with an 8-inch stroke. Metal-working equipment appears to lead in this classification.

CANADA

Alison Machinery Co. Ltd. .... Toronto, Ontario.	Machine tools, cutting tools of all kinds.
Allegheny Industrial Equipment of Canada Ltd. .... Toronto, Ontario.	Metal band saws, surface grinders, forming rolls, milling machines, lathes.
F. F. Barber Machinery .... Division of Massey-Harris Co. Ltd. Toronto, Ontario.	Machine tools, small tools, materials handling equipment.
Barer Engineering & Machinery Co. .... Montreal, Quebec.	Machine tools, lathes, grinders, wire-working machinery, special machinery, ball and roller bearings.
John Bertram & Sons Co. Ltd. .... Dundas, Ontario.	60″ vertical boring mill, 25″ engine lathe, 26″ shaper.
S. N. Bridges & Co. Ltd. .... Toronto, Ontario.	Copying equipment for lathes; millers; electronic lathes, special type machine tools.
British Oxygen Canada Ltd. .... Toronto, Ontario.	Oxygen cutting machines, oxyacetylene welding and cutting equipment, etc.
Brown Boggs Foundry & Machine Co. Ltd. Hamilton, Ontario.	Sheet metalworking machinery, brakes, shears, presses, formers, punches, etc.
Burnett Machinery (Canada) .... Toronto, Ontario.	Woodworking machinery for the furniture, joinery, lumber and plywood industries.
Canada Machinery Corporation Ltd. .... Galt, Ontario.	Machine tools, woodworking machinery, valves and fittings.
Canadian Fairbanks-Morse Co. Ltd. ...... Montreal, Quebec.	Machinery, machinists' tools, industrial supplies, materials handling equipment.
Canadian Liquid Air Co. Ltd. .... Montreal, Quebec.	Welding and cutting processors, silver brazing alloys.
Canadian Machine Tool Builders Ass'n. .. Toronto, Ontario.	No details available.
Chapat Engineering & Sales Co. Ltd. .... Hamilton, Ontario.	Tungsten carbide tools and dies for wire and wire industry.
Churchill (Canada) Ltd., Charles .... Toronto, Ontario.	Complete range of precision and production machine tools and small tools.
Colonial Tool Co. Ltd. .... Walkerville, Ontario.	Hobs and broaches; high-speed special cutting tools; end mills; gear shapers.
Copper & Horton Ltd. .... Toronto, Ontario.	Woodworking machinery and selected metal working machines.
Cosa Corporation of Canada Ltd. .... Toronto, Ontario.	Machine tools.

DoAll Company of Canada Ltd. .... Toronto 10, Ontario.	Machines for contour sawing and filing; surface grinders; precision measuring equipment.
Dominion Welders & Machinery Ltd. .... Toronto, Ontario.	Spot and butt welding machines, welder timing devices, machine tool and sheet metalworking machines.
B. Elliott (Canada) Ltd. .... Port Hope, Ontario.	Milling, shaping, drilling, grinding, backsawing machines; lathes; ironworkers, engineering equipment.
Ferro Machinery Co. .... Toronto, Ontario.	Machine tools, woodworking machinery.
The Ford-Smith Machine Co. Ltd. .... Hamilton, Ontario.	Grinding, polishing, buffing, abrasive cut-off, nibbling machines, backstand idlers.
Gross Machinery & Supply Co. Ltd. ...... Toronto, Ontario.	Engine and turret lathes, milling machines, radial drills, surface grinders.
Handy & Harman Co. of Canada Ltd. .... Montreal, Quebec.	Welding and cutting processes, silver brazing, alloys.
Hayward Gordon Ltd. .... Toronto, Ontario.	Machine tools, small tools, automatic lubricators, electric instruments, pumps, contractors equipment.
E. Hoffman Machinery Supply .... Toronto, Ontario.	Machine tools, lathes, shapers, millers, grinders, drills, presses.
International Machinery Co. Ltd. .... Hamilton, Ontario.	Materials handling equipment, machine shop supplies, machine tools, sheet metal equipment, welders of various types.
Lincoln Machine Tool Corp. .... Toronto, Ontario.	Toolroom engine relieving lathes, precision jigborers, cold forging machines, grinders, millers, planers.
Lion Grinding Wheels Ltd. .... Brockville, Ontario.	Grinding wheels, mounted wheels and points, resinoid snagging, plate-mounted and nut inserted segments, discs, etc.
R. McDougall Co. Ltd. .... Galt, Ontario.	Gear head engine and cap lathes.
Modern Tool Works Ltd. .... Toronto, Ontario.	Metal working machine tools.
Moore Machinery Co. .... Toronto, Ontario.	Inspection equipment, materials handling equipment, machine tools.
Newage (Canada) Ltd. .... Toronto, Ontario.	Machine tools, pumps, hardness testers, diesel and gasoline engines, alternators, grinders.
Pathex (Canada) Ltd. .... Toronto 5, Ontario .	Imported machine tools for the metal working industry.
The H. W. Petrie Ltd. .... Toronto, Ontario.	Woodworking machinery and supplies.
Prenco Progress and Engineering Corp. Ltd. .... Toronto, Ontario.	Machinery, pittler-turret, copying, milling machine, tools and plant equipment, Hahn and Kolb machinery.
Preston Woodworking Machinery Co. Ltd. Preston, Ontario.	Production woodworking machinery; veneer, plywood and hardboard machinery; lumber handling equipment.
Rex Machine Tool Co. Ltd. .... Toronto, Ontario.	High grade European machine tools, lathes, turrets, milling machines, radial, etc.
Ringball Ltd. .... Montreal, Quebec.	Ball and roller bearings, oil-seals, lathe chucks, grinding spindles, electric shears, surface grinders.
H. H. Roberts' Machinery and Supplies.. Toronto, Ontario.	Machine tools, small tools and accessories.
Donald Ross and Partners of Canada Ltd. Toronto, Ontario.	Welding positioners and appliances, cutting machines, spot welders.
Rudel Machinery Co. Ltd. .... Toronto, Ontario.	Machine tools of many types.
H. Ruhl Machinery .... Toronto, Ontario.	Machine tools and industrial equipment from German firms.
Ryder Machinery Co. Ltd. .... Toronto, Ontario.	Machine tools, fork lift trucks, towing tractors, electric hoists, cranes, mono-rail systems.
Paul R. Scott Ltd. .... Toronto, Ontario.	Engine lathes, shaper, air chucking equipment, hydraulic equipment.
Standard Machine and Tool Co. Ltd. .... Windsor, Ontario.	No details available.
Staroba Industrial Research Co. Ltd. .... Toronto, Ontario.	Machine tools, gauges, measuring instruments, mechanics tools, textile machines.
Gilbert C. Storey Machinery Co. .... Toronto, Ontario.	Resistance welding equipment and controls, machine tools, sheet metal working machinery.
Sykes Tool Corporation Ltd. .... Toronto, Ontario.	Gear-cutting machinery and general machine tools, including lathes, grinders, milling, woodworking machinery.
Transocean Machine Co. Inc. .... Montreal, Quebec.	Machine tools and heavy machinery, lathes, grinding machines, rolling mills and auxiliary equipment, lapping and nut tapping machines.

Transocean Trading Inc. .... Montreal, Quebec.	Building machinery, woodworking machinery.
Upton Bradeen and James Ltd. .... Toronto, Ontario.	Machine tools, small tools, materials handling equipment and industrial supplies.
A. C. Wickman (Canada) Ltd. .... Toronto, Ontario.	Lathes, multiple spindle automatics, optical profile grinders, vertical boring mills.

AUSTRIA

Ziamal's Nachf. Guido Schafer, J. .... Wien XIV.	Woodworking tools.
Zuckermann, Maschinenfabrik .... Wien XVIII.	Woodworking machines.

BELGIUM

C.I.M.A. .... Brussels.	Sawblades for woodworking; tools for woodworking.
de Buyser (Ateliers de Construction J.).. Brussels 3.	Machine tools.
Demoor, S.A. Ateliers .... Forest-by-Brussels.	High-precision centre lathes; airpower hammers.
Federation de l'Industrie des Fabrications Metalliques "Fabrimetal" .... Brussels.	Machinery and tools.
Imperia, S.A. .... Nessonvaux-lez-Liège.	Machine tools; grinders.
L.A.P. Constructions Mecaniques .... Brussels 11.	Machine tools, universal lathes and turret lathes.
Marcel Pegard .... Andeene.	Radial drilling machines.
Raskin (Les Ateliers Hubert) .... Angleur-lez-Liège.	Power presses for metalworking; guillotine shearing machine; shear blades.
S. A. Forges, Usines and Founderies de Gilly .... Gilly, near Charleroi.	Horizontal boring and milling machines.
Van Malcot .... Brussels.	Woodworking machines.

FRANCE

Association Francaise de Constructeurs de Machines-Outils .... Paris.	Machine tools.
Alliance de Constructeurs Francais de Machines-Outils .... Paris.	Machine tools.
Arduino .... Paris.	Surface planer, thicknesser, slotter, vertical spindle moulder, horizontal spindle moulder, circular saw, tool sharpener.
Bechet .... Paris.	Bar automatics.
Bombled .... Paris.	Sheet metal working machinery.
Constructions Mecaniques de Chambly .. Paris.	Surface grinding machines.
Cornac .... Paris.	Boring machines, fixed or travelling column.
Ets. Gaston Dufour .... Montreuil.	Universal milling machines with vertical head attachments.
Ernault-Batignolles, H. .... Machine Tool Division of Batignolles-Chatillon. Paris.	Pilot lathes, high precision centre lathes, copying lathes.
Noel Ernault .... Paris.	Capstan lathes, small tools.
Gambin .... Paris.	Universal milling machines.
G.S.P. .... Paris.	Vertical drilling and boring machines.
G.S.P. Alliance de constructeurs, de Machines Outils .... Paris.	Radial drilling machines, multi-tool lathes, shaping machines, milling machines.
Line-Jost .... Paris.	Radial drilling machines, sensitive drills, planers, balancing machines, slotters.

Mopco .... Paris.	Universal flat grinders, plain grinders.
Otalu .... Paris.	Machine tools for light alloys.
Precimo .... Paris.	Production gear jobbers, universal gear cutting machines.
Precis .... Paris.	Drilling machines and precision work machines.
Rev .... Paris.	Horizontal and vertical broaching machines.
Sculfort .... Paris.	High speed lathes; lathes and special machines for railway yards; locomotive and carriage wheel turning lathes, roughing lathes.
Societe des Forges et Ateliers du Creusot, Usines Schneider .... Paris.	Compressors, machine tools, lifting appliances; inland navigation vessels and harbour craft; iron and steel products.
Siome .... Paris.	Universal machines, plain lathes.
Societe des Forges et Ateliers du Creusot (SFAC) .... Paris 8e.	Cold sawing machines, planers, crankshaft turning machines, sliding and screwcutting machines, special purpose machines, vertical and horizontal boring mills.
Somaco .... Paris 16e.	Hydraulic surface grinding machines, hydraulic internal grinding machines.
Somua .... Paris 8e.	Sliding and screwcutting lathes, production lathes, milling machines.
S.P.M. .... Paris 16e.	Drilling and tapping machines, automatic feed drilling and boring machines, automatic tapping and drilling units.
Vernets .... Paris 16e.	Universal punching and shearing machines, motor driven blanking machines.
Wermelinger .... Paris 8e.	Sliding and surfacing lathes.

GERMANY

Alkett Altmaerkische Kettenwerke GmbH. Berlin-Borsigwalde.	Swaging press for internal profiling.
Banning, A. G., J. .... Hamm/Westfalen.	Pipe and tube bending machines, forging machines, forging hammers, pneumatic hammers, hydraulic and pneumatic presses, rolling mills.
Beche & Grohs GmbH .... Huckeswagen, Rhld.	Pneumatic power hammer.
B. M. W. Maschinenfabrik Spandau GmbH. .... Berlin-Spandau.	Precision punch presses, automatic screw machines, gear de-burring machines.
Rheinhard Bohle KG. .... Horstheide Uber Bielefeld.	Vertical milling machines.
Bluthardt Maschinenfabrik, G. .... Neurtingen/Necker.	Drill presses, heavy duty drilling machines, single spindle drilling machines, multi-way drilling machines.
Brueckner, Gustav .... Coburg-Neuses.	Vertical surface grinders.
Collet & Engelhard .... Offenbach am Main.	Horizontal boring and milling machines.
Friedrich Deckel .... Munchen.	Machine tools.
Demag Aktiengesellschaft .... Duisburg.	Hammer drills.
Elmeg Elektro Mechanik GmbH. .... Osterode, Harz.	Electro-magnetic presses.
Freies Berliner Handwerk Schmidtchen & Co. .... Berlin.	Cutting, punching, drawing and combined dies; punched parts.
Graebener, Theodor .... Werthenback Post Irmgarteichen.	Power presses, punch presses, power shears.
Hagen and Goebel, Maschinenfabrik..... Soest.	Tapping machines.
Hartex GmbH .... Berlin-Marienfelde.	Centreless and plain-grinding machines.
Carl Hasse & Wrede GmbH. .... Mannheim.	Combination turret lathe.
Gebr Heinenmann AG .... Werkzeugmaschinenfabrik. St. Georgen-Schwarzwald.	Lathes, shapers.

Ibag, Internationale Baumaschinenfabrik AG .... Neustadt.	Production machines.
Index-Verkaufs-GmbH. .... Stuttgart-Nort.	High-speed automatic screw machines, chuck capacity up to $\frac{5}{8}$".
Klaeger Fortuna-Kaltsaegenfabrik, Hermann .... Stuttgart-Untertuerkheim.	Cutting-off machines—band, circular, hack; hack sawing machines.
Krenzler Maschinenfabrik, Emil .... Wuppertal-Barmen.	Milling machines, shaping machines.
Hermann Lade .... Waiblingen/Rems.	Drilling chucks and machine vises.
Jung GmbH, K. .... Goeppingen-Wuertt.	Surface grinders.
Jung GmbH Lokomotivfabrik, Arn....... Jungenthal near Kirchen Sieg.	Vertical boring and turning machine, 42/48".
Jung Schleifmaschinen H. Gaub. GmbH... Berlin.	Internal grinders.
Koelle Maschinenbau GmbH .... Esslingen a.N.	Bandsaw machines.
Lindemann Maschinenfabrik GmbH. .... Dusseldorf.	Scrap shear.
Ludw. Loewe & Co., AG .... Aktiengesellschaft. Berlin.	Toolroom lathe, vertical and universal millers.
Maschinenfabrik Froriep GmbH. .... Rheydt/Rheinland.	Single column vertical boring and turning machine, type KE 16.
Matra-Werke, GmbH .... Frankfurt am Main.	9′ and 10′ centre lathes; 24" x 8" hydraulic surface grinders.
Mayr, Hoernann & Cie., K.G. .... Pfronten-Steinach/Allgaeu.	Die making and die sinking machines.
Mueller Brinker Maschinenfabrik, Max.. Hannover.	Vertical, horizontal, universal milling machines; heavy-duty production lathes with electronic control.
MSO Maschinen und Schleifmittelwerke AG .... Offenbach am Main.	Grinding machines.

Nassocia Maschinenfabrik .... Frankfurt.	Punch shaping machines, die sinkers, die shapers, filing and band sawing machines.
Nie derrheinis che Maschinenfabrik Becker and Van Hullen .... Krefeld.	Open gap oil hydraulic 63-ton press, with highest ram speed.
Paul Ferd Peddinghaus .... Gevelsberg.	Universal steel workers billet shears.
Pfeifer & Soehne GmbH., B. .... Heilbronn-Boeckingen.	Precision toolroom lathes.
Prahoma-Werk .... Kehren & Company. Hennef/Sieg.	Surface grinding machines.
Reinhard & Adam Maschinen & Apparatebau, GmbH. .... Stuttgart-Sindelfingen.	Press brakes, sheet metal working machines.
August Ruggerberg .... Marienheide-Rhld.	Machines with flexible shaft, rotary tools, pneumatic grinders.
Scharmann and Co., GmbH. .... Rheydt/Rheiniand.	Boring, milling and drilling machine, horizontal type W.B. 75.
Schiess Aktiengesellschaft .... Dusseldorf.	Vertical turret lathes for high speeds, horizontal boring mill with 6¼" spindle-diameter.
Freies Westberliner Handwerk Schmidtchen and Co. .... Berlin.	Cutting, punching, drawing and combined dies, punched parts.
Schmaltz GmbH Friedrich Schleifmaschine-und Schleifraderwerke Offenbach am Main.	Circular table surface grinding machine with 700 mm. table diameter.
Schneider O. H. G. Werkzeug and Maschinenfabrik, Heinrich .... Siegburg/Rhld.	Surface grinding machines, horizontal, vertical and rotary table types.
Schulze and Naumann Werkzeugmaschinenfabrik .... Essen.	Shearing machines with circular knives.
Alfred H. Schutte .... Koln Deutz.	Tool and cutter grinders.
Spfina Schwingscheleiftechnik .... Wieck and Heim KG. Koln.	Oscillating superfinishing attachment HWa 26; centreless superfinishing machine SM 52.
Maschinenfabrik Rudolf Staehely .... Wuppertal-Niechstebreck.	Heavy duty rigid gear hobbing machines and gear hobbing automatics.
Albert Strasmann .... Prazisionswerkseug-und-Maschinenfabrik. Remsched.	Surface grinding machines.
Toepfer, Alfred C. .... Hamburg.	Machinery.
Trumpf and Co. .... Stuttgart, Weilimdorf.	Curve cutting-out and nibbling machines (universal shears).
Vereinigte Drehbank-Fabriken .... Boehringer, Goppingen.	Turret lathes.
Verkaufs A. G. Peewee und Grob .... Konstanz.	Thread-rolling generator with automatic feed.
Gustav Wagner Maschinenfabrik .... Reutlingen.	Semi-automatic hydraulic cold circular saws for cutting iron and steel.
Weberwerke KG .... Siegen in Westfalen.	Double-standard plate shear; beading and flanging machine.
"WEBO" Gemeinschaft Westdeutscher .. Dusseldorf.	Drilling machines.
Eugen Weisser and Co. KG .... Werkzeugmaschinenfabrik. Heilbronn-Neckar.	Lathes, engine and screw cutting, with copying attachment.
Fritz Werner AG .... Maschinen-und Werkze uggabrik. Berlin-Marienfelde.	Vertical milling machines, universal milling machine, production milling machine.
Westdeutsche Werkzeugmaschinen AG .. Dusseldorf Holthausen.	Semi-automatic internal grinders; horizontal boring and milling machine B 3"; vertical boring mill E 85; single column vertical turret lathe.
Wiler G. Werkzeugmaschinenfabrik...... Herzogenaurach-Nurnberg.	High-duty precision lathes—screwcutting, engine, toolroom; 5" x 32" centres (2 models); 6-Station Turret (Capstan), 5" centre, 1-1/16" bar capacity (Model).
Wohlenberg & Co.	No details available.
Wotan-Werke GmbH. .... Dusseldorf.	Vertical and horizontal boring mills, internal grinders.

ITALY

Giustina, S.p.A. .... Turin.	Hydraulic precision universal grinder.
Misal S.A. Leto .... Milan.	Lathes, slotters, turret lathes, millers, shapers, grinding machines, drilling machines.

SWEDEN

Albin Motor Co. .... Kristinehamn.	Tool cutters, grinders, fine boring machines.
Kopings Mekaniska Verkstads Aktiebolag Koping.	Universal milling machines, vertical milling machines with accessories.
Kopings Mekaniska Verkstads Aktiebolag Koping.	Lathes.
Maskinfabriks Thule AB .... Malmo.	Production shaper, hydraulic hacksaws, vertical production slotters.
A. B. Svetsmekeno .... Gothenburg.	Plate and sheet metal working machines.
Wahlbeck Aktiebolag, Ingeniorsfirman Alb. J. .... Halmstad.	Woodworking machinery.
Svetsmekano, Aktiebolag .... Gothenburg.	Machines for sheet and plate cutting.
Maskinfabriks A/B Thule .... Malmo.	Hydraulic surface grinding machine, type 24″ x 8″ with horizontal spindle.

SWITZERLAND

Maag Gear-Wheel Co. Ltd. .... Zurich.	Gear cutting machines, gear grinding machines, gear testing machines, precision gear pumps.
Mikron, S.A. .... Bienne.	Gear and pinion cutters.
Pawert, A. G. .... Basel.	Wood briquetting presses and allied equipment.
Perrin A. G., Gebr. .... Moutier.	Jig boring machines and precision cross tables.
Reiden Milling Machine Co. .... Reiden.	Milling machines, universal and vertical.

UNITED KINGDOM

James Archdale and Co. Ltd. .... Birmingham.	Vertical, radial, multispindle drilling machines, horizontal and vertical milling machines.
Asquith, Williams Ltd. .... Halifax, Yorks.	Radical and portable drilling machines.
Associated British Machine Tool Makers, Ltd. .... London.	Precision metal working machine tools.
Bourdon Tools Ltd. .... Croydon, Surrey.	Vertical spindle grinding machines.
S. N. Bridges & Co. Ltd. .... London.	No details available.
Brookman Ltd., R.S. .... Leicester.	Woodworking machinery; specialized lines—dovetailers, morticers, borers; multi-drilling systems.
BSA Tools Ltd. .... Birmingham.	Automatic bar and chucking machines, multi-tool lathes, engineers small tools.
F. Burnard and Co. Ltd. .... Kidbrooke, London.	Precision lathe chucks, independent and self-service; quick change turning toolholders.
Butler Machine Tool Co. Ltd. .... Halifax, Yorks.	Planing, slotting and shaping machines.
Tom Carrington and Co. Ltd. .... Lyndon Tool Works. West Bromwich.	Pipe cutters, taps, cut and ground thread; stocks and dies.
Churchill Machine Tool Co. Ltd. .... Manchester.	External, internal and surface precision grinding machines.
V. L. Churchill & Co. Ltd. .... London.	Vertical spindle chucking lathe, hydraulic and mechanical presses, engineers tools.
Charles Churchill & Co. Ltd. .... Birmingham.	Vertical spindle chucking lathes, hydraulic and mechanical presses, engineers tools.

Churchill-Redman Ltd. Halifax, Yorks.	12" and 14" swing lathes, profiling lathe, universal shapers, hobber.
Colchester Lathe Co. Ltd. Colchester, Essex.	Lathes—centre, chasing, engine, general purposes, light precision toolroom.
Coventry Gauge and Tool Co. Ltd. Coventry, War.	No. 16 universal thread grinders, No. 33 tap grinders, precision gauges.
Craven Brothers (Manchester) Ltd. Vauxhall Works. Reddish, Stockport, Cheshire.	Lathes, vertical boring mills, planers, paper roll grinders, gear hobbers, horizontal boring machines.
Dean, Smith and Grace Ltd. Keighley, Yorks.	Lathes, 13" to 21" swing, tool room relieving lathes.
Denham's Eng. Co. Ltd. Empire Works. Holmfield, Halifax, Yorks.	Lathes, heavy duty; precision machines.
Desoutter Brothers Ltd. London.	Portable electric and pneumatic drills, screwings, nibblers, shears, grinders, etc.
Drummond Asquith (Sales) Ltd. Birmingham.	Hydraulic presses, pedestal grinding machines.
Drummond Brothers Ltd. Guildford, Surrey.	Multi-tool and profile turning lathes, gear shapers.
Eastbrook, Allcard and Co. Ltd. Sheffield 6, Yorks.	Twist drills, reamers, taps, stocks and dies, chaser diestocks.
Frank Guylee & Son Ltd. Archer Tool Works. Millhouses, Sheffield, Yorks.	Drill chucks, sleeves, sockets, centres, tappers, mandrels, wheel dressers, camclamps.
T. S. Harrison and Sons Ltd. Heckmondwike, Yorks.	9", 11" and 14" swing, sliding, surfacing and screwcutting lathes.
Alfred Herbert Ltd. Coventry, War.	Capstan, turret and automatic lathes, drilling, grinding and milling machines.
Horden, Mason & Edwards Ltd. Birmingham.	Power presses.
Interwood Ltd. London.	Veneer and special woodworking machines, including fully automatic saw sharpeners.
C. E. Johansson Ltd. Dunstable, Beds.	Taps; screw, ring, plug and plain gauges; thread chasers.
A. A. Jones & Shipman Ltd. Leicester, Leics.	Precision grinding machines, external, universal, surface and tool and cutter models; small tools.
E. H. Jones (Machine Tools) Ltd. Portslade.	Machine tools; C.V.A. automatics, dieing presses.
Jones (Machine Tools) E. H. London.	Automatic screw machines, high speed presses, milling machines, toolroom equipment.
Kearns & Co. Ltd., H. W. Manchester.	No. 3 horizontal surfacing and boring machine, horizontal toolroom boring machine.
Kendall & Gent Ltd. Manchester.	Broaching machines; cutters, threading, screwing; vertical and plane milling machines.
Kerry's (Great Britain) Ltd. London.	Engine lathes, bench lathes, drilling machines, hacksawing machines, grinding machines.
Knowles & Co. (Engineers) Ltd. Bradford, Yorks.	No details available.
John Lang & Sons Ltd. Johnstone, Renfrewshire.	Sliding, surfacing and screw-cutting lathes; surfacing and boring lathes.
Lehmann Archer & Lane, Ltd. Barkingside, Essex.	High speed and carbon steel screwing tools, cut or ground threads.
Richard Lloyd Ltd. Birmingham.	Inserted, serrated blade cutters for milling, facing, boring, reaming.
Lumsden Machine Co. Ltd. Gateshead, Durham.	Rotary surface grinders, 24" to 100".
Maiden & Co. Ltd. Hyde, Cheshire.	Threading machines, tangential threading machines, chamfering machine.
D. Mitchell & Co. Ltd. Keighley, Yorks.	One 29" swing (14½) centres lathe.
J. E. Morrison & Sons Ltd. Sheffield, Yorks.	Auger bits, machine augers, mortice square chisels, fluted bits, routers.
Newall Group Sales Ltd. Old Fletton, Peterborough, Northants.	Grinding machinery, optical measuring machines.
A. & S. Osmond Bristol, Gloucs.	Model C-16 high speed abrasive cut-off machine.
J. Parkinson & Son (Shipley) Ltd. Shipley, Yorks.	Plain and universal milling machines, gear planers.
Henry Pels & Co. Ltd. London.	Universal ironworker, combination punch, shear and cropper, nibbler.
Pultra Ltd. Salford, Manchester.	Micro lathes.
George Richards & Co. Ltd. Manchester.	Vertical and horizontal boring machines; keyway cutting and large planing machines.
Rushworth & Company Sowerby Bridge.	One 29' swing (14½" centres) lathe.

Scottish Machine Tool Corp. Ltd. .... Glasgow.	Lathes, bending rolls, horizontal borers, drilling, power presses and planing machines.
Sheepbridge Equipment Ltd. .... Chesterfield, Derby.	Automatic tile press (under licence from Collingham and Owen Ltd.).
Smart & Brown (Machine Tools) Ltd. .. London.	Precision toolroom, production and turret lathes.
Snow & Co. Ltd. .... Sheffield, Yorks.	Grinders.
The Stalker Drill Works, Ltd. .... Sheffield, Yorks.	Twist drills, milling cutters, shank tools, reamers, hacksaw blades.
Startrite Engineering Company Limited.. Gillingham.	½" drill presses; variable speed bandsaws; disc sanders; circular saw benches.
Stenners of Tiverton Ltd. .... Tiverton.	Band resaw and other woodworking machines.
G. Swift & Sons Ltd. .... Halifax.	Lathes, centre, surfacing and boring, heavy and medium-duty.
W. E. Sykes Ltd. .... Staines, Middx.	Gear cutting machinery and general machine tools, including lathes, grinders, milling and woodworking machinery.
Joseph Thompson (Sheffield) Ltd. .... Townhead Street Engineering Works. Sheffield, Yorks.	Milling cutters, hobs, end mills, shank tools, reamers, slitting saws.
Fredk. Town & Sons Ltd. .... Halifax, Yorks.	Five foot all-electric radial drilling machine.
Wadkin Ltd. .... Leicester.	High-speed woodworking machinery, including specialized types of pattern makers.
H. W. Ward & Co. Ltd. .... Birmingham 29.	Capstan and combination turret lathes.
Webster & Bennett Ltd. .... Coventry.	Vertical boring and turning mill.
Wickman Ltd. .... Coventry.	Multiple spindle automatics; optical profile grinder; vertical boring mill; tube benders.
Wilkins & Mitchell Ltd. .... Darlaston.	Mechanical power presses.
Thomas White & Sons Ltd. .... Paisley.	Woodworking machinery for furniture and veneer manufacture, sawmilling, joinery.
Willson Lathes Ltd. .... Ovenden, Halifax, Yorks.	Lathes.
Wilson Bros. (Leeds) Ltd. .... Leeds, Yorks.	Woodworking machinery.
Wyvern Machine Ltd. .... Leicester, Leics.	Engine lathes.

UNITED STATES

Allison Company .... Bridgeport, Conn.	Abrasive cut-off wheels.
American Sip Corporation .... New York.	Machine tools.
American Society of Tool Engineers ..... Detroit, Mich.	Technical society for advancement and dissemination of scientific knowledge in the field of tool engineering.
Baker Brothers .... Toledo, Ohio.	Shears.
Bardons & Oliver Inc. .... Cleveland, Ohio.	Universal turret lathe.
Edward Blake Co. .... West Newton, Mass.	Flue grinders.
The Bradford Machine Tool Co. .... Cincinnati, Ohio.	Engine lathes.
Brandes Press Co. .... Cleveland, Ohio.	Heavy duty automatic presses.
Brown & Sharpe Manufacturing Co. ..... Providence, R.I.	Machinists tools, precision gauging equipment, milling cutters, automatic screw machines.
Burg Tool Manufacturing Co. .... Los Angeles, Calif.	Turret type drilling and tapping machines, floating tool holders, tapping heads.
Andrew C. Campbell Division of American Chair & Cable Co. Inc. .... Bridgeport, Conn.	Abrasive cutting machines, nibbling machines.
Cincinnati Bickford Tool Co. .... Oakley, Cincinnati, Ohio.	Radial and upright drilling machines.
Cincinnati Lathe & Tool Co. .... Cincinnati, Ohio.	Toolroom lathes, radial drills, sliding head box column drills.
Cincinnati Shaper Co. .... Cincinnati, Ohio.	Press brakes, all steel shears, shapers.
Columbia Machinery & Engineering Corp. Hamilton, Ohio.	Steel plate power squaring shears.
Commander Manufacturing Co. .... Chicago, Ill.	Multi-drill tappers.

The DeVlieg Machine Co. .... Detroit, Mich.	Boring and milling machines.
Diversified Metal Products Co. .... Los Angeles, Calif.	Grinding machines.
Gisholt Machine Co. .... Madison, Wis.	Turret lathes, balancing machines.
The Herald Machine Co. .... Worcester, Mass.	Toolroom internal grinding machine; single end bore-matic.
The Hill Acme Co. .... Canton Division. Cleveland, Ohio.	All steel alligator scrap shears.
The Ingersoll Milling Machinery Co. .... Rockford, Ill.	Inserted blade milling and boring tools; cutter grinder in operation.
Landis Machine Co. .... Waynesboro, Pa.	Threading machines, chasers, die heads.
K. O. Lee Co. .... Aberdeen, S.D.	Keyless drill chucks, arbour and adapters; tool and cutter grinders.
Linley Brothers Co. .... Bridgeport, Conn.	Rivetting machines and jig borers.
Lodge & Shipley Co. .... Cincinnati, Ohio.	Toolmakers and manufacturers of lathes, oil country lathes, copymatic tracer lathes, duomatic production lathes.
National Automatic Tool Co. .... Richmond, Ind.	Drilling, tapping and boring equipment.
The New Britain Machine Co. .... New Britain, Conn.	Single spindle automatic turret lathe; large and small contour turning and boring machines.
New Britain-Gridley Machine Div. ...... New Britain, Conn.	Machine tools, automatic machinery.
Niagara Machine & Tool Works .... Buffalo, N.Y.	Presses, press brakes, shears and tools for sheet metal work.
Nife Inc. .... Copiague. Long Island, N.Y.	Universal tool and cutter grinders.
Norton Behr-Manning Overseas Inc. .... Worcester, Mass.	Grinding and lapping machines.
Oliver Machinery Co. .... Grand Rapids, Mich.	Metal and woodworking machinery.
O'Neil-Irwin Mfg. Co. .... Lake City, Minn.	Benders, painters, slitters, brakes, shears, etc.
Oster Manufacturing Co. .... Cleveland, Ohio.	Pipe and bolt threading tools and machines, pipe cutting machines.
D. H. Prutton Machinery Co. .... Cleveland, Ohio.	Planetary thread rolling machines.
Racine Hydraulic & Machinery Inc. ..... Racine, Wis.	High speed metal cutting machines; railroad maintenance tools; hydraulic variable volume pumps and controls.
Rockford Machine Tool Co. .... Rockford, Ill.	24" hydraulic universal shaper; 48" hydraulic openside shaper.
Simplex Machine Tool Division of Stokernit Corp. .... Milwaukee, Wis.	Precision boring machines, hydraulic and mechanical types.
S-M-S Corp. .... Detroit, Mich.	Welding tips, holders and accessories.
Standard Electrical Tool Co. .... Cincinnati, Ohio.	Carbide tool grinders.
Thompson Grinder Co. .... Springfield, Ohio.	Hydraulic surface grinders, tool room and production types.
Vapor Blast Manufacturing Co. Ltd. ...... Milwaukee, Wis.	Vapour blast machines for liquid honing.
Walker-Turner Division of Kearner & Trecker Corp. .... Plainfield, N.J.	Metal and woodworking equipment.
Westfield Metal Products .... Westfield, Mass.	Automatic screw machines.

Plant Equipment, Processing Machinery

THIS CLASSIFICATION embraces such a wide variety of machinery and equipment, for practically every type of industrial production, that it is difficult to single out special features.

Among the exhibits expected are:

- A 400-pound an hour automatic heat-treating unit, using 100 per cent forced convection heating and operating at temperatures up to 1,850 degrees Fahreinheit. It is made by a U.S. firm.

- A hand-operated veneer guillotine which can cut straight, cross-cut or mitred joints.

- Self-adhesive, aluminum foil appliqués for permanent identification, which are said to take the place of decals. Backed with a high tensile bonding material, they can be applied to any smooth, cohesive surface.

CANADA

Allanson Armature Mfg. Co. Ltd. .... Toronto, Ontario.	Replacement, automotive, generator and starter armatures.
Armson Iron Works Ltd. .... Windsor, Ontario.	Tubular steel scaffolding products.
Aro Equipment of Canada Ltd. .... Toronto, Ontario.	No details available.
Automotive Spring Mfg. Co. Ltd......... Montreal, Quebec.	Automotive leaf springs and leaves; coil springs.
Barnard Stamp & Stencil Ltd. .... Hamilton, Ontario.	Marking tools and equipment.
Bear Equipment & Services Ltd. .... Toronto, Ontario.	Industrial balancing machines for practically all rotating bodies.
Bellows Pneumatic Devices of Canada Ltd. .... Toronto, Ontario.	Air cylinders, drill press feeds, work feeders and work holders.
Bestall Chemicals Ltd. .... Windsor, Ontario.	Coolants, featuring a new approach to difficult machining operations.
Bull Dog Lacer Co. of Canada Ltd....... Hamilton, Ontario.	Belt hooks; rawhide pins; vise tools, and closing machines.
Callwood Can Co. Ltd. .... St. Boniface, Manitoba.	Poultry processing machinery.
Cameron Associates Ltd., Dugald......... Malton, Ontario.	Slotted steel or aluminum angle.
Canada Pumps Ltd. .... Kitchener, Ontario.	Pumps.
Canadian Blower & Forge Co. Ltd. ...... Kitchener, Ontario.	Blacksmiths' forges, blowers, drills, power drills, heating and ventilating equipment.
Canadian Vickers Ltd. .... Montreal, Quebec.	Steel barges, steam condensers, steam marine engines, cement kilns, general machinery products.
Chatham Erecting Co. Ltd. .... Chatham, Ontario.	Steel water tube boilers.
Clyde Tube Forgings of Canada Ltd. .... Weston, Ontario.	Seamless steel and alloy buttwelding fittings; prefabricated pressure piping assemblies.
Crysler Machine Works .... St. Catharines, Ontario.	Large and small container filling machines.
B. W. Deane & Co. (Division of ISBRU Co. Ltd.) .... Montreal, Quebec.	Chemical processing compounds, complete metal spraying equipment, hot vapour degreasers and metal-cleaning equipment.
DoAll Co. of Canada Ltd. .... Toronto, Ontario.	Machines, contour, sawing and filing; surface grinders; precision measuring equipment.

Dodge Manufacturing Co. (Division of United Steel Corp. Ltd.) Toronto, Ontario.	Conveying equipment and machinery for the mechanical transmission of power.
Dominion Auto Accessories Ltd. Toronto, Ontario.	Automotive protective lighting equipment.
Dominion Fasteners Ltd. Hamilton, Ontario.	Spring steel speed nuts; clips and clamps; miscellaneous fasteners.
Dominion Rubber Company Ltd. (Textile Division) Kitchener, Ontario.	Felt vibration dampening material.
Fischer Bearings (Canada) Ltd. Toronto, Ontario.	Ball bearings, roller bearings, balls (steel, brass, aluminum, etc.), pillow blocks.
Forano Ltd. Toronto, Ontario.	Log debarking machines, gang saw mills, saw-mill machinery, furring machines, planers.
Gordon & Gotch (Canada) Ltd. Toronto, Ontario.	High-speed automatic spacing cutter; trimmer knives.
Hamilton Gear and Machine Co. Ltd. Toronto, Ontario.	Machine cut gears; transmission appliances and speed reducers.
Francis Hughes & Associates Inc. Montreal, Quebec.	Slotted steel or aluminum angle; flexible and suspended formwork; scaffolding.
Hewitt-Robins (Canada) Ltd. Montreal, Quebec.	Industrial screens, idlers, brushes, mechanical rubber goods and hose.
E. F. Houghton & Co. of Canada Ltd. Toronto, Ontario.	Cutting oils, grinding oils, lubricants, hydraulic oils and hydraulic packings.
Howard Engineering Sales Co. Toronto, Ontario.	Hydraulic working platform and trestles for overhead construction or maintenance work.
Interlocking Block & Brick Patents Ltd. Vancouver, British Columbia.	Interlocking cement blocks and bricks.
International Products Kingston, Ontario.	Ice cream making machine.
Kilian Mfg. Corp. (Canada) Ltd. Toronto, Ontario.	Unground ball bearings, ball bearings, casters.
Gordon A. MacEachern Toronto, Ontario.	Electric blowers, vacuum cleaners, dust collectors, floor machines (polishing and scrubbers).
G. R. Marshall & Co. Ltd. Toronto, Ontario.	Broachers, cutter fans, furnaces, (electrical and industrial), grinders, heat resisting alloys, etc.
Massey-Harris Company Ltd. (Electro-forge Division) Toronto, Ontario.	Upsetting and stock-gathering machines, with built-in electrical heating unit for heating alloys, steels and non-ferrous metals.
The R. McDougall Company Ltd. Galt, Ontario.	Machine tools; lathes, engine and gap; special machinery.
Metal-Cal Ltd. Vancouver, British Columbia.	Self-adhesive aluminum foil appliques replacing nameplates and decalcomanias for permanent identification.
Midland Foundry & Machine Co. Ltd. Midland, Ontario.	Air compressors, industrial jacks, piston rings.
Morheat Corp. Chatham, Ontario.	Steel water tube boilers.
Pattern Matchplate Company Ltd. Toronto, Ontario.	No details available.
Perkins Glue Co. of Canada Ltd. Kitchener, Ontario.	Synthetic resin, casein and vegetable wood-working glues and gluing equipment.
Joseph Roediger Hamilton, Ontario.	Saw-sharpening machines, gang saws, planer knife grinders.
Sehl Engineering Ltd. Kitchener, Ontario.	Routering machines and router bits.
Sheldons Engineering Ltd. Galt, Ontario.	Industrial air-conditioning, heating and ventilation equipment.
Stanley Manufacturing Co. Ltd. Toronto, Ontario.	Fully automatic capsuling machines and adhesive aluminum capsules designed for distilleries.
Strombert Manufacturing Co. Regina, Saskatchewan.	Plunger and rotary type barrel pumps.
Super Pufft Popcorn Ltd. Toronto, Ontario.	Popcorn machines and popcorn machine supplies.
Sylvester Steel Products Co. Ltd. Lindsay, Ontario.	Railway inspection and maintenance-of-way vehicles.
Tewes Engineering Sales Co. Ltd. Toronto, Ontario.	Boilers, steam generators, paper slitting and rewinding machines, printing and wood briquetting presses.
Thompson Products Ltd. St. Catharines, Ontario.	Detachable steel and tungsten carbide rock drill bits.
Toronto Iron Works Ltd. Toronto, Ontario.	Bins, hoppers, pressure and storage tanks in steel plate, stainless steel, stainless clad, etc.

United Steel Corp. Ltd. (Dodge Manufacturing Company). Toronto, Ontario.	Conveying equipment and machinery for the mechanical transmission of power.
Vancouver Engineering Works Ltd. Vancouver, British Columbia.	Welding fittings, forged steel flanges, valves, screwed fittings, machinery castings.
Veeder-Root of Canada Ltd. Montreal, Quebec.	Automatic counting and computing devices.
Viking Pump Co. of Canada Ltd. Windsor, Ontario.	Rotary, sanitary, turbine, centrifugal, hydraulic and truck mount pumps for industrial application.
Volta Mfg. Co. Ltd. Welland, Ontario.	Heat-treating furnaces, winches, magnetic brakes, electric smelters.
Walker Metal Products Ltd. Walkerville, Ontario.	Industrial furnaces; heat resisting alloy castings and resistance wire.
Walker-Wallace Ltd. Toronto, Ontario.	Plate type heat exchanger; all stainless steel industrial high pressure model centrifuge; stainless steel single shell tank.
Weatherhead Co. of Canada Ltd. St. Thomas, Ontario.	Automotive fittings; brake hose; gas and oil lines.

AUSTRIA

Lipowsky, Franz Wien X.	Special saws.

BELGIUM

Courtoy Chemical and Pharmaceutical Machinery Hal.	Automatic tabletting machines.
Metalar, Sprl Mont St. Amand-Grand.	Hosiery press and calendar.
Optibel, S. A. Brussels.	Optical machinery.

DENMARK

Andersen & Bruun's Fabriker Ltd. Copenhagen.	Fully automatic capsuling and adhesive aluminum capsules designed for distilleries.

FRANCE

Aro Paris.	Spot welders.
C.E.I. (Compagnie des Entreprises Industrielles) Paris.	Crushing and screening plants.
De Dietrich & Cie Strasbourg.	Glass-lined chemical process equipment.
Fives-Lille (Companie de) pour Constructions Mecaniques et Entreprises Paris.	Models of sugar mill, cement factory, and suspension bridge; materials handling equipment; steam, electric, diesel-electric locomotives for main railway lines and works; road rollers; thermal and hydraulic power plants.
Gillet, W.	Mobile log band saws, log-dividing carriages.
Meudon (Forgin et Ateliers de) Meudon.	Pneumatic tools for mines and public works, rock drills, pick hammers, air legs, stopers, concrete breakers, rotary drills, pneumatic saws, spade hammers, sand hammers.

GERMANY

Artmann Ludwig Eis enkonstruktionen, Maschinen-und Apparatebau. Hamburg.	Press brakes.
Helios Apparate Wetzel & Schlosshauer. Heidelberg.	Lubricating equipment.
Robert Hildebrand Oberboihingen/Wurttbg.	Drying machines for wood; humid-air superheat drier HD 75.
Arthur Klink GmbH. Niefern-Baden.	Broaching machines and broaches.

Maschinenfabrik Hasenclever AG Dusseldorf.	Electric upsetting machine; vincent friction screw press.
Meyer Roth & Pastor Koln-Radeberg.	Chain and wire-making machinery; spring washer-making machinery.
Pleuger & Co. Hamburg.	Submersible water pumps.
Stock & Co., AG., Fa. R. Berlin-Marienfelde.	Stock conditioning machines.

UNITED KINGDOM

L. J. H. Ballinger Gloucestershire.	Abrasive wheel cutting-off machines, automatic and manually-operated.
Joshua Bigwood & Son Ltd. Wolverhampton.	Plate benders, tube stretchers, heavy machinery.
Broom & Wade Ltd. High Wycombe.	Compressors (stationery and portable), pneumatic tools.
Th. & J. Daniels Ltd. Stroud.	Pre-forming machines; presses, moulding, rubber and plastics; tabletting machines.
J. Goulder & Sons Ltd. Kirkheaton.	Gear testing instruments and machines.
Guyson Industrial Equipment Ltd. Otley.	Shot blasting equipment
Hancock & Co. (Engineers) Ltd. Croydon.	Oxygen cutting and profiling machines.
Hilmor Ltd. London.	Motorized mandrel tube bender, universal portable hydraulic tube bender.
Jackson & Bradwell Ltd. Birmingham.	Dynamic balancing machinery for balancing all types of revolving components.
B. & S. Massey Ltd. Manchester.	Electrically driven pneumatic power hammers.
Masson Seeley & Co. Ltd. London.	Showcard marking machines and machines for marking on materials.
Murex Ltd. Rainham, Essex.	Hard metal products—tungsten, molybdenum, tantalum, zirconium; sintered permanent magnets.
Ch. J. Neuman Ltd. South Croydon.	Greasing equipment, grease fittings, hand compressors, grease guns, grease nipples, lubricating equipment.
Parramore & Sons (1924) Ltd. F. Chapeltown, Sheffield.	Vices—bench, mechanics' machinists' and woodworkers; higher tensile quality clamps.
The Polygram Casting Co. Ltd. London.	Automatic shell mould investing for foundries.
Projectile & Engineering Co. Ltd. London.	Injection moulding machines and die casters.
John Rigby & Sons Ltd. Bradford, Yorks.	Brass pinion rods; precision cold drawn sections.
Shaw & Co. Ltd., Francis Manchester.	Plastic extrusion machines; internal mixers for rubber and plastics.
Taylor & Sons, (Bolton) Ltd., John Bolton, Lancs.	Ropes and twines.
Tecalemit Ltd. London and Plymouth.	Mechanical and hand operated lubricating equipment; grease guns and fittings.
Windsor Ltd., R. H. South Chessington, Surrey.	Plastic injection moulding machines; extrusion machines; moulds; dies and accessories.
Matthew Wylie & Co. Ltd. Glasgow.	Wood box mailing machines, wood box printing machines.

UNITED STATES

Acro Welder Manufacturing Co. Milwaukee, Wis.	Spot projection seam, flash and butt, brazing and portable gun-type welders.
Aeroil Products Inc. South Hackensack, N.J.	Steam cleaners, kettles, torches, sprayers, hot tanks.
Ampco Metal Inc. Milwaukee, Wis.	Resistance welding holders, tips, wheels and dies.
Big Joe Manufacturing Co. Chicago, Ill.	Hydraulic foot operated and electrically operated platform and fork lifts.
Bil-Jax Inc. Archbold, Ohio.	Trestles for overhead construction or maintenance work.
Geometric Tool Company Division Greenfield Tap and Die Corp. New Haven, Conn.	Dieheads, taps, chasers and fixtures.
Greyhound A.C. Arc Welder Corp. Brooklyn, N.Y.	Portable and stationary spot welders.

Honan-Crane Corp. Lebannon, Ind.	Cartridge and bulk-type oil purification equipment and water oil separator.
Ipsen Industries Rockford, Ill.	Heat-treating furnaces for bright, clean hardening, carbonitriding or carburizing.
Jaco Devices Inc. Hingham, Mass.	Hitch-type press feed and stock reels.
Johnson Manufacturing Corp. Albion, Mich.	Metal cut-off bandsaws, wet and dry models.
Manheim Mfg. & Belting Co. Manheim, Pa.	Veelink adjustable V-belting; stocking distributors.
Manley Popcorn Machines Kansas City, Mo.	Popcorn machines.
Metallizing Engineering Co. Inc. Long Island City, N.Y.	Metallizing guns and accessories, special metallizing wires.
The Michigan Chrome & Chemical Co. Detroit, Mich.	Layout dye.
A. H. Nilson Machine Co. Bridgeport, Conn.	Wire-forming machines, combination press and wire-forming machines, stock reels.
Optical Gaging Products. Rochester, N.Y.	Optical gauging equipment and screens; contour projectors; optical comparators.
Poole Foundry & Machine Co. Baltimore, Md.	Flexible couplings for industrial equipment, mines and mills.
Precision Welder & Flexopress Corp. Cincinnati, Ohio.	Resistance welders; spot, projection, seam, bench, flash and portable gun-type welders; automatic roll feed presses.
Rowe Machinery & Mfg. Company Inc. Dallas, Tex.	Easy load coil cradles; pinch roll attachments; automatic straightening machines.
Struthers Wells Corp. Titusville and Warren, Pa.	Boilers; steam generators; forgings; chemical process equipment.
G. H. Tennant Co. Minneapolis, Minn.	Industrial floor machines, power sweepers, floor treating materials and supplies.
Tinius Olsen Testing Machine Co. Willow Grove, Pa.	Universal testing machines; statistic dynamic balancing machines; elongation and compression testing machines.
Topper Equipment Co. Ltd. Rahway, N.J.	Vapour degreasers and power spray washers.
Turco Products Inc. Los Angeles, Calif.	Flaw detection through surface active chemistry; specialized industrial chemical compounds.
Wilson Mechanical Instrument Division of American Chain & Cable Co. Inc. New York, N.Y.	Rockwell hardness testers and micro-hardness testers.
Worcester Pressed Steel Co. Worcester, Mass.	Heavy and light metal stampings.

Printing Machinery and Equipment

CANADA

Canadian Beaver Co. Ltd. Toronto, Ontario.	Printing machinery, paint and ink manufacturing machinery, turnstiles.
Graphic Equipment Ltd. Toronto, Ontario.	Automatic printing presses and automatic cylinder printing press.
Manton Bros. Ltd. Toronto, Ontario.	Automatic wrapping machine, paper cutter, poly automatic cylinder press, rotary offset press.

FRANCE

Bouzard (V.)—Calmels (H.) Paris 12e.	Photo-mechanical equipment for photo-engraving, photo-litho and photogravure, rotogravure carbon tissue transferring machines, rotogravure proofing machines.

GERMANY

Goebel, A.G. Darmstadt.	Paper slitting and rewinding machines; rotogravure presses; printing presses for continuous forms and labels.
Krause Wohlenberg and Co. Hannover.	Paper cutters, guillotines, three knife trimmers.

Small Tools, Testing Equipment, etc.

IN THIS SECTION, British exhibitors are far out in front. The Federation of British Hand Tools Manufacturers and the National Federation of Engineers' Tools Manufacturers, who made their debut at the 1950 Fair, will again be sending composite displays. Other British tool firms, many of them from Sheffield, city of steel, will be exhibiting individually. Four Canadian firms will be represented; Germany and the United States complete the list of exhibitors.

CANADA

Bestec (Canada) Ltd. Toronto, Ontario.	Gauges, measuring equipment, engineers' optical instruments, cutting tools, etc.
Gray-Bonney Tool Co. Ltd. Toronto, Ontario.	Hand tools for automotive, aviation, marine, refrigeration, industrial and agricultural industries.
Seco Sales and Service, Ltd. Toronto, Ontario.	High-grade mechanics' tools.
A. C. Wickman (Canada) Ltd. Toronto 14, Ontario.	Cemented carbide tools, tips and gauges; microbore, end-cutting tools, diamond wheels.

GERMANY

Mahr, Carl Esslingen a.N.	Precision instruments.
Maschinenfabrik Rucoco Walter Cordier K.G. (21b) Menden.	Metal-cutting hacksaws.

UNITED KINGDOM

Edgar Allen & Co. Ltd. Sheffield.	Cutting tools, tool bits, carbide tools, twist drills.
Arthur Balfour & Co. Ltd. Sheffield.	Twist drills, centre drills, track drills, hack-saw blades, toolholder bits.
Charles Baynes Ltd. Blackburn.	Hacksaw blades—regular, tungsten and high-speed quality steel.
John Bedford & Sons Ltd. Sheffield.	Drill steels, tools, wrenches, hammers, chisels, files, shovels.
British Indicators Ltd. St. Albans.	Gauges; measuring equipment; engineers' optical instruments; cutting tools; engraving machines.
Brooke Tool Works Ltd. Birmingham.	Gauges; measuring equipment; engineers' optical instruments; cutting tools; engraving machines.
B. F. Carter & Co. Ltd. Bolton.	Gauges; measuring equipment; engineers' optical instruments; cutting tools; engraving machines.
Coventry Gauge & Tool Co. Ltd. Coventry.	Gauges; measuring equipment; engineers' optical instruments; cutting tools; engraving machines.
Crawford & Co. (Tottenham) Ltd. Whitney.	Gauges; measuring equipment; engineers' optical instruments; cutting tools; engraving machines.
Elliott-Lucas Ltd. Birmingham.	Pliers, nippers, pincers, plumbers' and joiners' tools.
Engineering Products Ltd. London.	Dial gauges.
English Steel Corporation Ltd. Sheffield.	Engineers' cutting tools, permanent magnets, files, hacksaws, high-speed steels.
Thos. R. Ellin (Footprint Works), Ltd. Sheffield.	General hand tools covering joiners, engineers', plumbers', woodboring and edge tools.
Federation of British Hand Tool Mfrs. Sheffield.	Hand tools made in Great Britain.
Garringtons Ltd. Bromsgrove.	Steel forgings, hand tools.

Burton Griffiths & Co. Ltd. Birmingham.	Engineers' small tools and machine shop equipment.
John Harris Tools Ltd. Warwick.	Taps, dies, gauges, measuring equipment, all types engineers' small tools.
Hilger & Watts Ltd. London.	Gauges; measuring equipment; engineers' optical instruments; cutting tools; engraving machines.
William Marples & Sons, Ltd. Sheffield.	Woodworkers' tools, chisels, planes, screwdrivers, spirit levels, small vices, etc.
National Federation of Engineers Tool Mfrs. Sheffield.	Engineers' cutting tools made in Great Britain.
James Neill & Co. (Sheffield) Ltd. Sheffield.	Hacksaw blades and frames; other hand and cutting tools.
Samuel Osborn & Co. Ltd. Sheffield.	Twist drills, reamers, milling cutters, lathe tools, chisels, hacksaw blades.
Alfred Ridge & Sons Ltd. Sheffield 1.	General hand tools covering joiners, engineers, plumbers, woodboring and edge tools .
Sanderson Brothers and Newbould Ltd. Attercliffe Steel Works, Sheffield.	Hacksaw blades, segmental saws, small tools, files, ground flat stock.
Peter Stubs Ltd. Warrington.	Hand tools.
Taylor, Taylor & Hobson Ltd. Leicester.	Gauges; measuring equipment; engineers' optical instruments; cutting tools; engraving machines.
Gordon Tools Ltd. Sheffield.	Hand and garage tools.
W. Tyzack, Sons & Turner, Ltd. Sheffield 8.	Hand saw, tenon saw, circular saws, saw files.
Cornelius Whitehouse & Sons, Ltd. Cannock.	Auger bits, shears, hammers, chisels, hatchets.
T. Williams' (Tilton Road Works) Ltd. Birmingham 9.	Double-ended spanners, pliers, pincers, adjustable wrenches, screwdrivers.
Wynn, Timmins & Co. Ltd. Birmingham 1.	Pliers, various types; nippers for hard wire.

UNITED STATES

Biddle Co. Philadelphia, Pa.	Vibrating reed tachometers; frequency meters.
Prairie Tool Company Prairie du Chien, Wis.	Hand grinders; bench vises; utility grinders.
The Sheffield Corp. Dayton 1, Ohio.	Gauging and measuring instruments; precision thread, form and crush grinders; gear chamfering and burring machines.
The L. S. Starret Co. Athol, Mass.	Mechanics' hand measuring tools and precision instruments; steel tapes; dial indicators; hacksaws; band saws; band knives.
United Precision Products Shabbona, Ill.	Plug gauges.

Textile Machinery and Equipment

CANADA

Ludmer Sewing Machine Co. Ltd. Montreal, Quebec.	Special and industrial sewing machines for all branches of the clothing, shoe and other needle trades.

GERMANY

Adler Sewing Machine Mfrs. Bielefeld.	Sewing machines.
Durkopp Sewing Machine Mfrs. Bielefeld.	Sewing machines.
Groz-Beckert K.G. Ebingen/Wuertt.	Knitting machine needles.
Hilscher, J. M. Wiesbaden.	Knitting machines.

Ruester K.G. .... Knitting machine slider, sinkers and jacks.
Deggingen-Wuertt.
Strobel Special Sewing Machine Mfrs. .... Sewing machines.
Munich.

ITALY

San Giorgio S.I.P.A. .... Knitting machines.
Genova.

SWEDEN

AB Maschinenfabriken I Oernskoeldsvik.. Sewing machines.
Oernskoeldsvik.

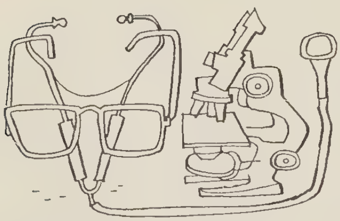
SWITZERLAND

Blaser, H. .... Knitting machines.
Munsingen, near Berne.

UNITED KINGDOM

Bellow British Industrial Sewing Machines .... Industrial sewing machines.
Leeds.

Medical and Optical Equipment



NEARLY EVERY Canadian town or city is today enlarging its hospitals or building new ones, and many companies are adding to their research departments. This section of the Fair, formerly included under "Scientific Instruments and Equipment" offers doctors, research workers, and purchasing agents for hospitals and laboratories the opportunity to examine new devices and equipment in this field. Germany has reserved 720 sq. ft. to show a complete line of optical goods and instruments, microscopes, etc.; three other countries are also exhibiting.

Space Taken: 960 sq. ft.

Countries Exhibiting: Canada, Austria, Belgium, Germany, United Kingdom.

Leading Exhibitor: Germany.

CANADA

American Optical Company Canada Ltd... Microscopes, photomiscrographic cameras, microtomes, optical and scientific instruments, metallographs, hemoglobinometers.
Toronto,Ontario.

AUSTRIA

Eumig-Elektrizitaets und Metallwaren Industrie .... Cameras and projectors.
Wien X.
Optische Werke C. Reichert AG .... Microscopes and accessories.
Wien XVII.

BELGIUM

Manufacture Belge De Gembloux, S.A. ... Gembloux.	Surgical intruments; hospital furniture and equipment.

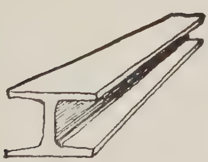
GERMANY

Berliner Optische Werkstatter GmbH. ... Berlin.	Microscopes.
Export Service Handwerk GmbH. .... Berlin Dahlem.	Medical and optical instruments, implements and attachments.
Freies Westberliner Handwerk .... Export Service Handwerk GmbH. Berlin.	Optical instruments.
Herman Schmitt GmbH. .... Vrand.	Photographic equipment, enlargers, luminaires and magnifiers.
Hertel & Reuss .... Kassel.	Binoculars, monoculars, research and students' microscopes.
Leitz, Ernst GmbH. .... Wetzlar.	Machine tool optical testing equipment.
Steindorff & Co. .... Berlin.	Microscopes, polarimeters.
Wilhelm Will Optik .... Wetzlar.	Optical instruments.
Dr. F. A. Wohler Optische Fabrik .... Kassel.	Binoculars, cameras, loupes, microscopes, opera glasses, opthalmic instruments, optical instruments, rifle sights, spectroscopes, telescopes (marine, military).

UNITED KINGDOM

Austen Ltd., Chas. .... West Malling, Kent.	Small air compressors for medical purposes.
MSE (Canada) Ltd. .... London.	Specialized precision production and inspection equipment.
Technaphot Limited .... Rugby.	Optical surfacing machinery, opthalmic and precision equipment, diamond generators and tools.

Metals, Chemicals, Raw Materials



THIS SECTION always contains striking and imaginative displays, with some of the larger Canadian companies doing both a selling and a public relations job. The visitor can study, for example, how certain raw materials such as aluminum are made and see, at the same time, some of the many products fabricated from them. One Canadian chemical firm will build its exhibit around styron, which lends itself to colour and display effects, and around some of the newer plastics. Chemical manufacturers will show products that will take over jobs as diverse as weed-killing, rustproofing, attacking insects, etc., and many industrial assignments.

Space Taken: 5,130 sq. ft. Last year: 7,440 sq. ft.

Countries Exhibiting: Canada, United Kingdom, United States.

Leading Exhibitor: Canada, with 4,890 sq. ft.

CANADA

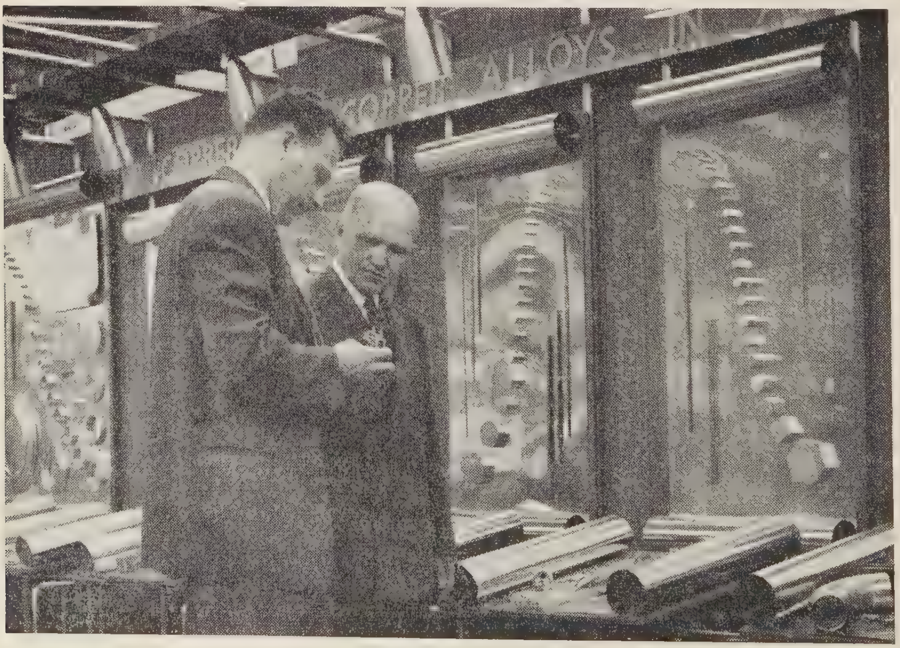
Aluminum Company of Canada Ltd. .... Montreal, Quebec.	Aluminum products.
Anaconda American Brass Ltd. .... New Toronto, Ontario.	Copper and copper alloy sheets, strips, rods, tubes and special shapes.
Atlas Steels Ltd. .... Welland, Ontario.	Alloy tool steels, drill steels, stainless steels.
Bakelite Company (Canada) Ltd. .... Belleville, Ontario.	Phenolic moulding compounds and resins, industrial laminated sheets, rods and tubes.
Canadian Hanson and Van Winkle Co. Ltd. Toronto, Ontario.	Electroplaters' and polishers' supplies and equipment.
Canadian Plastic Fabricators Co. .... Toronto, Ontario.	"Lucoflex", rigid P.V.C.
Crystal Glass and Plastics Ltd. .... Toronto, Ontario.	Plexiglas plastic in many of its current applications—signs, lighting, glazing.
Dominion Foundries and Steel Ltd. ...... Hamilton, Ontario.	Tin plate, cold rolled steel plate, castings, pig iron.
Dominion Wire Rope & Cable Co. Ltd. ... Lachine, Quebec.	Synthetic cordage; wire rope.
Dow Chemical of Canada Ltd. .... Toronto, Ontario.	Canadian moulded plastic articles, Saran fabrics, chemicals.
National Chemical Exterminating Co. Ltd. Montreal, Quebec.	Insecticides.
Noranda Copper and Brass Ltd. .... Leaside, Toronto 17, Ontario.	No details available.
Edward M. Webster and Co. .... Hamilton, Ontario.	Hard vinyl plastics, sheets, tubes, bars, and moulding powder.
R. D. Werner Co. (Canada) Ltd. .... Oshawa, Ontario.	Extruded aluminum and roll-forced sections.

UNITED KINGDOM

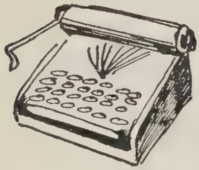
J. B. and S. Lees Ltd. .... West Bromwich.	Steel strip—hardened and tempered for saws of all kinds; steel strip—lead coated for conduit tubes, etc.

UNITED STATES

American Chemical Paint Company ...... Ambler, Pa.	Rustproofing chemicals, pickling acid inhibitors, plant hormones, weedkillers.
Taylor Fibre Co. .... Norristown, Pa.	Vulcanized fibre and laminated plastics.



Office Equipment, Paper Products



ALTHOUGH NOT NORMALLY part of the business scene, jail cells will be exhibited in this section by one Canadian firm—right beside safes, vault doors and safety deposit boxes. From five countries will come all the furnishings for a well appointed modern office, including sound and music systems, microfilming equipment and the *Encyclopaedia Britannica.*

One of the features of the office equipment section this year will be a low-priced automatic folding machine, described as the newest in the world. It will fold 200 letters a minute with any fold desired, the manufacturer claims.

Nowadays, one of the up-to-date executive's jobs is keeping in touch with the periodicals covering both general business conditions and his special field. It therefore seems fitting that a magazine subscription service has, for the first time, taken space in this section.

Space Taken: 8,800 sq. ft. Last year: 10,080 sq. ft.

Countries Exhibiting: Canada, Austria, Germany, Italy, Sweden, United Kingdom, United States.

Leading Exhibitor: Canada, with 6,360 sq. ft.

CANADA

Addressograph-Multigraph of Canada Ltd. Toronto 13, Ontario.	Name and date-writing machines of all kinds.
Apeco Auto-Stat Sales and Service...... Toronto, Ontario.	Photocopy machines.
Automatic Paper Box Co. Ltd............ Toronto, Ontario.	Set-up paper boxes; food and ice cream cartons, etc.
The Bell Telephone Co. of Canada .... Toronto, Ontario.	Teletype service.
Burroughs Adding Machine of Canada Ltd. .... Toronto, Ontario.	Business machines and supplies, micro-filming equipment.
Burrowes Manufacturing Co. .... Toronto, Ontario.	Printers' steel composing room equipment and galleys; steel stationery and wardrobe storage cabinets; steel factory and shop equipment.
Wm. Dawson Subscription Service Ltd. .. Toronto 12, Ontario.	Subscriptions to any periodical.
Earl A. Denton .... Apeco Auto-Stat Sales and Services. Toronto, Ontario.	Photocopy machine.
Ditto of Canada, Ltd. .... Toronto, Ontario.	Duplicators, gelatine and spirit process; carbon, fluids, cleansers, etc.
Encyclopaedia Britannica of Canada Ltd... Toronto, Ontario.	Encyclopaedia Britannica, 1953.
Executone Communications Systems Ltd. Toronto, Ontario.	Electronic communication, light signal, voice paging, sound and music systems, etc.
Herring Hall Marvin Safe Co. of Canada Ltd. .... Toronto, Ontario.	Safes, chests, vault doors, safe record files, wall safes, bank equipment.
M. P. Hofstetter Ltd. .... Toronto, Ontario.	Adding and calculating machines, printing calculators.
International Business Machines Co. Ltd. Toronto, Ontario.	Electric punched card accounting machines; electric typewriters; time recording, signalling and hospital communicating systems.
The National Cash Register Co. of Canada Ltd. .... Toronto, Ontario.	Mechanized equipment for the control of cash and records.
The Nauta Bros. .... Toronto, Ontario.	Folding machines, duplicating machines, stencils and spirit models, typewriters, adding machines, addressing machines.

Northern Electric Co. Ltd. Belleville, Ontario.	Office dictating and transcribing equipment, centralized telephone dictating systems.
Office Specialty Mfg. Co. Ltd. Newmarket, Ontario.	Office furniture, steel and wood; filing cabinets and filing system supplies.
Preston-Noelting Ltd. Stratford, Ontario.	Executive suites; office furniture, G.-W. Techniplan; filing cabinets and supplies.
Remington Rand Ltd. Toronto, Ontario.	Typewriters, adding-calculating machines, accounting machines, punched-card tabulating machines, visible record systems, safe file record protection, micro-filming equipment, photo-copying equipment, filing systems, supplies and equipment.
Royal Typewriter Co. Ltd. Montreal, Quebec.	Electric, standard and portable typewriters, Roytype supplies.
Rotaprint Co. of Canada Ltd. Toronto, Ontario.	Lithographic presses, offset duplicators, photo-mechanical equipment, plate-making (offset) machines.
Sankey Sheldon Aurora, Ontario.	Steel office furniture, chairs, steel shelving, bins, racks and movable steel partitions.
Sonograph Ltd. Toronto, Ontario.	Office dictating equipment, magnetic tape recorders.
Steel Equipment Co. Ltd. Ottawa, Ontario.	Steel executive desks, filing cabinets, horizontal card sections, lockers.
Sunshine Waterloo Co. Ltd. Waterloo, Ontario.	Steel office equipment, steel lockers, steel shelving.
J. & J. Taylor Ltd. Toronto, Ontario.	Safes, vault doors, safety deposit boxes, jail cells, cash chests.
Underwood Ltd. Toronto, Ontario.	Typewriters, adding machines, accounting machines.
Visirecord of Canada Ltd. Toronto, Ontario.	Vertical visible record-keeping systems.

AUSTRIA

Oesterreichischer Verlegerverband Wien 1.	Books.
Pangraphic GesmbH Wien V.	Paint books, greeting cards.
Schubert, Ing., Otto Dornbirn.	Magnetophones and dictaphones.
Ulrich, August Wien VI.	Labels, greeting cards.

GERMANY

Paul Bruening Maschinenfabrik, Berlin-Borsigwalde.	Adding machines, calculators.
Brunsviga Maschinenwerke AG Braunschweig.	Calculating, adding and listing machines.
Muecher, Gustav A. Muenchen 25.	Adding machines; calculators; typewriters; numbering machines.
Roto-Werke AG Koenigalutter.	Office duplicating machines.
Uhu-Werk Fischer GmbH H. u. M. Buehl/Baden.	Glue in tubes, starch, fountain pens, automatic repeater pencils.

ITALY

Olivetti & C., S.p.A., Ing. C. Ivrea.	Printing calculator.

SWEDEN

Aktiebolaget Addo Malmo.	Adding machines.

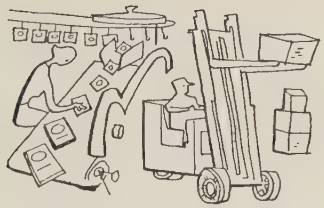
UNITED KINGDOM

Acrow (Engineers) Ltd. London.	Steel storage equipment for factories, warehouses, stores and offices.
John Dickinson & Co. Ltd. Hertfordshire.	Stationery, packaging materials, paper household goods, including napkins.
G. A. Harvey & Co. (London) Ltd. London.	Steel office and works storage equipment; perforated metals; woven wire cloth.
Milners Safe Co. Ltd. London.	Safes, vault doors, bank and security equipment; steel rolling shutters.

UNITED STATES

Gray Manufacturing Co. Ltd. Hartford, Conn.	Office dictating and transcribing equipment; centralized telephone dictating system.
The Haloid Co. Rochester, N.Y.	Copy equipment for preparing offset paper masters for office duplicators.

Packaging, Materials Handling Equipment



THE EXHIBITS grouped in this section demonstrate the surprising ease with which modern machinery can move even the heaviest and most bulky materials from place to place. Fork lift trucks, mobile cranes, pallet trucks, electric and hand-operated hoists—largely of Canadian or American manufacture—all will be on display at the booths in this area.

One Canadian firm will exhibit a line of materials handling equipment that incorporates a specially designed, two-piece, die-cast aluminum alloy wheel. These wheels are said to make for easier going over uneven floors and in sand, mud and snow.

This is a new category; formerly these displays were included under "Machinery and Plant Equipment".

Space Taken: 12,020 sq. ft.

Countries Exhibiting: Canada, France, United Kingdom, United States. States.

Leading Exhibitor: Canada, with 5,880.

CANADA

Canadian Mobile Co. Ltd. .... North Vancouver, British Columbia.	Fork lift trucks, cranes, mobile and gas-powered.
Conveyancer Fork Trucks (Canada) Ltd. Toronto, Ontario.	Fork trucks, gasoline, diesel and battery powered, 2,000/6,000 lb. capacity; battery chargers; special attachments.
Fisher & Ludlow (Canada) Ltd. .... Ajax, Ontario.	Flowstrut slotted angle system.
Industrial Truck Division of Kenneth S. Fraser Co. Ltd. .... Toronto, Ontario.	Lift trucks and materials handling equipment.
Mathews Conveyor Co. Ltd. .... Port Hope, Ontario.	Miscellaneous types of package handling equipment; roller, chain belt specialties.
Matier Lumber Products Ltd. .... Toronto, Ontario.	Clinch-lock pallets.
Maur Products of Canada Ltd. .... Peterborough, Ontario.	Materials handling equipment, hand trucks, trailers, pallet trucks, industrial wheels—(solid, rubber and pneumatic).
Moore Machinery Co. .... Toronto, Ontario.	Fork lift trucks, hydraulic pallet trucks, tote boxes, hoists, hand trucks.
Herbert Morris Crane and Hoist Co. Ltd... Niagara Falls, Ontario.	Portable hand and electric hoists, cranes and conveying equipment.
Rudel Machinery Co. Ltd. .... Montreal, Quebec.	Fork lift trucks.
Steel Engineering Products (Can.) Ltd... Leaside, Ontario.	One-man operated, self-propelled gasoline-electric mobile crane, with full swing and unique safety features.

FRANCE

Stephanoise De Constructions Mecaniques Saint Etienne (Loire).	Belt conveyors, scraper chain conveyors and retarders, hoists, scrapers and scraper hoists, pit bank and bottom equipment, screening and handling plants.

UNITED KINGDOM

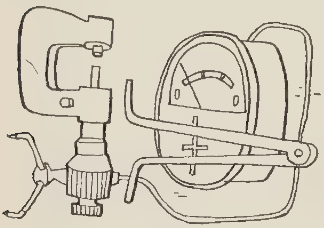
Ayers and Grimshaw Ltd. .... Barnstaple.	Machine for bundling and wrapping packetted units, e.g., cigarettes, etc.
Coventry Climax Engines Ltd. Widdrington Road Works .... Coventry.	Diesel fork lift trucks and materials handling equipment.

Felco Hoists Ltd. .... London.	Lifting appliances, chain hoists, adjuster equalizing slings, ratchets, hoists.
Fisher and Ludlow Ltd. .... Birmingham.	Shelving, lockers, chain conveyors, belt conveyors, pallet, steel and aluminum.
Ransomes, Sims & Jefferies, Ltd. .... Ipswich.	Lift trucks and materials handling equipment.

UNITED STATES

Clark Equipment Co. .... Battle Creek, Mich.	Electric industrial trucks, fork lift trucks.
Coles Cranes Inc. .... Joliet, Ill.	One-man-operated self-propelled gasoline-electric mobile crane with full circle swing and safety features; electro lifting magnet.
The Hyster Co. .... Danville, Ill.	Industrial lift trucks, mobile cranes, stradle trucks.
The Mercury Manufacturing Co. .... Chicago, Ill.	Industrial trucks, tractors and trailers.
Moto-Truc Company .... Cleveland, Ohio.	Motorized hand lift trucks.
Lewis Shepard Products Inc. .... Watertown, Mass.	Fork lift trucks; hydraulic pallet trucks; tote boxes; hoists; hand trucks.

Scientific and Precision Equipment



EVERYTHING in the way of scientific equipment—from microscopes to electronic communication devices to radar—will find a place in this section. Canadian exhibits lead by a wide margin and visitors cannot fail to be impressed with the variety and range of our production in this field.

Among the more unusual exhibits will be:

- A high-speed, automatic, roller-bearing sorting gauge, shown by the Canadian agent of a U.S. firm. It sorts over 2,000 bearings an hour into six classifications and rejects the sub-standard ones.

- The Boeing electronic analogue computer, originally designed for the study of guided missiles. It is used now to solve mechanical, hydraulic, thermal or electrical problems in industry and engineering. This will be its first showing in Canada.

Space Taken: 4,440 sq. ft. (Category was changed slightly, so comparative figures would have no value.)

Countries Exhibiting: Canada, Austria, France, Germany, Italy, Netherlands, Sweden, Switzerland, United Kingdom, United States.

Leading Exhibitor: Canada, with 4,200 sq. ft.

CANADA

Beaconing Optical & Precision Materials Co. Ltd. .... Montreal, Quebec.	Precision industrial measuring instruments.
Canadian Arsenals Ltd. .... Ottawa, Ontario.	Military equipment, ammunition, small arms, radar and instruments.

W. A. Carveth Limited Toronto, Ontario.	Machine tools, optical testing equipment, metallurgical specimen preparations equipment.
Computing Devices of Canada Ltd. Ottawa, Ontario.	Analogue computers, intercommunication systems, electronic test equipment, electronic components.
Davis Automatic Controls Ltd. Toronto, Ontario.	Automatic and manual control devices for heating, refrigeration and industry.
E. A. C. Canada Ltd. Toronto, Ontario.	Electric motor control apparatus and electrical indicating instruments.
Ferro Technique Products of Canada Ltd. Lachine, Quebec.	Precision gauges, automotive tools and chucks, micrometers.
Field Aviation Co. Ltd. Oshawa, Ontario.	Aeronautical supplies — including aircraft instruments, safety equipment and aircraft components.
Hammond Manufacturing Co. Ltd. Guelph, Ontario.	Single and polyphase dry-type air-cooled industrial control circuit transformers.
John Herring and Co. Ltd. Toronto 9, Ontario.	Electronic street light controls; electrical instruments.
Hildon Corporation Ltd. Toronto, Ontario.	Engineers' precision measuring instruments and dial indicators.
Horton (Canada) Inc. Montreal, Quebec.	16 mm. cinema projectors.
Hughes Owens Co. Ltd. Montreal, Quebec.	Engineering, architectural, artists' and photographic supplies; scientific instruments and materials.
Lufkin Rule Co. of Canada Ltd. Barrie, Ontario.	Measuring tapes, rules and precision tools.
Mondo Photo Ltd. Toronto, Ontario.	Binoculars, cameras, enlargers, optical instruments and appliances, photographic equipment, tripods.
National Research Council Ottawa, Ontario.	Stroboscopic wavemeter.
Parker Imports Reg'd. Montreal, Quebec.	Precision measuring instruments; tools and gauges for the engineering and allied industries.
*PSC Applied Research Ltd. Toronto, Ontario.	Electronic, mechanical and optical devices for industry, air surveys, navigation.
Physical Enterprises London, Ontario.	Canadian-built, high vacuum rotary pumps, gauges and associated equipment.
Polytronics Co. Toronto 4, Ontario.	Temperature controllers, voltage regulator, wheatstone bridge, kelvin bridge, precision resistors, decade boxes.
*Rogers Majestic Electronics Ltd. Toronto 17, Ontario.	Industrial and scientific electronic equipment, electronic measuring instruments, X-ray apparatus, research and control instruments, X-ray diffraction apparatus, electron microscopes.
Roydes & Edwards Ltd. Toronto, Ontario.	Sales, service and repairs of scientific and industrial instruments.
Scientific Instrument Manufacturing Association of Canada Toronto, Ontario.	Industrial and scientific instruments—chemical electrical, electronic, mechanical, optical.
Sidam Ltd. Toronto, Ontario.	Educational, scientific and laboratory equipment.
James W. Stevenson and Co. Toronto, Ontario.	Drafting and surveying instruments and equipment, scientific equipment.
Winter's Thermogauges Ltd. Toronto 2, Ontario.	Pressure and vacuum gauges, industrial dial thermometers and recording instruments.

AUSTRIA

Gillet Co. Bregenz, Voraralberg.	Measuring instruments.
Gmundner Keramik Komm. Ges. Gmundner, O. Oe.	Measuring instruments.
Norma, Fabrik Elektrischer Messgeraete GesmbH Wien XI.	Electric measuring instruments.
Seibold, Ludwig Wien 1.	Measuring instruments.

FRANCE

FOPEX (Groupe d'Industriels pour l'Exportation) Paris.	Photographic cameras and accessories; scientific instruments; medical, dental and surgical instruments; microscopes.

GERMANY

Askania Werke AG Berlin Friedenau.	Geodetic and geophysical instruments; instruments for science and industry.

Balda Kamera Werk Buende.	Cameras.
Deutscher Innen-und Aussenhandel Abteilung Optik Dresden.	Posters and pamphlets.
Diax Kamera Werke Ulm/Donau.	Cameras.
Hiller, Jr., Albert Dornstetten.	Flashguns.
Ihagee Exakta Dresden.	Cameras.
Kilfitt GmbH. Muenchen.	Lenses and optical specialties.
Kordt & Co. GmbH Eschweiler Kr. Aachen.	Thread gauges.
Kritzler K. G. Lederwarenfabrik Rebbelroth.	Leather cases for cameras.
Mueller Jr., Novoflex Karl Memmingen.	Optical specialties.
Albert Nestler AG Lahr/Baden.	Drawing machines, drawing tables, drawing materials, scales, slide rules, surveying rods.
Optische Werke C. A. Steinheil, Soehne Muenchen.	Lenses, binoculars, prism glasses.
Robot-Berning & Co. Duesseldorf.	Robot cameras.
Seifert Metallwarenfabrik, Gebr. Luedenscheid.	Tripods.
Widmer, Robert Neuberg, Donau.	Photographic accessories.

ITALY

Durst A. G. Bozen.	Enlargers, projectors.

NETHERLANDS

Phillips Industries	Industrial and scientific electronic equipment, electronic measuring instruments, X-ray apparatus.

SWEDEN

Aktiebolaget C. E. Johannson Eskilstuna.	Precision gauging equipment, JO block indicators, micrometers, plug and ring gauges.

SWITZERLAND

Fr. Sauter S. A., Electrical Apparatus Mfg. Works Basle-16.	Controls for temperature, pressure, humidity, level, density, monocontroller for machines.

UNITED KINGDOM

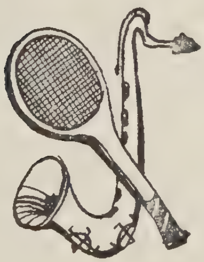
A. Capp & Son Crayford.	Dial indicators for the engineering trades.
Jas. Chesterman Co. Ltd Sheffield.	Engineers' precision measuring instruments.
G. A. Gray Bishop's Stortford.	Precision measuring instruments, tools and gauges for the engineering and allied industries.
The Horstmann Gear Co. Ltd. Bath.	Precision measuring instruments, tools and gauges for the engineering and allied industries.
Machine Shop Equipment Ltd. London.	Specialized precision production and inspection equipment.
Thomas Mercer Ltd. St. Albans.	Dial indicators for the engineering trades.
Moore & Wright (Sheffield) Ltd. Sheffield.	Engineers' precision measuring instruments.
Pitter Gauge & Precision Tool Co. Woolwich SE 18.	Precision measuring instruments, tools and gauges for the engineering and allied industries.

UNITED STATES

Automatic Switch Co. Orange, N.J.	Solenoid valves, mechanically or magnetically held contactors, automatic transfer switches.
Buehler Ltd. Chicago, Ill.	Metallurgical specimens preparation equipment.

Eagle Signal Corporation .... Moline, Ill.	Single and multiple circuit process and machine timers, controlling counters.
Federal Products Corp. .... Providence, R.I.	Dial indicator, air, electrical and automatic sorting and dimensional gauges.
Furnas Electric Co. .... Batavia, Ill.	Hand and foot-operated drum switches, pressure switches, magnetic starters.
Helicoid Gage Division American Chain & Cable Co. .... Bridgeport, Conn.	Pressure and vacuum gauges.
North American Phillips Co. Inc. .... Mount Vernon, N.Y.	Research and control instruments, X-ray diffraction apparatus, electron microscopes.
Trombetta Solenoid Corp. .... Milwaukee, Wis.	AC & DC solenoids, recipromotors, semotors, solenoid brakes.
Charles F. Warrick Co. .... Berkeley, Calif.	Floatless liquid level controls for pumps, boiler and industrial application.

Sporting Goods, Toys, Musical Instruments



THIS SECTION always draws crowds on public days at the Fair, and the exhibitors have a good opportunity to do a bit of market research. Dolls that walk and dolls that dance, and some dolls in national costume are included among the toys. Germany is showing fishing tackle for the first time this year, and Canada, Austria, and the United States are bringing sports equipment. A Quebec firm will display pianos, organs and other musical instruments.

Space Taken: 1,920 sq. ft.

Countries Exhibiting: Canada, Austria, Germany, Ireland, United States.

Leading Exhibitor: Austria.

CANADA

Canadian Toy Trading Co. .... Toronto, Ontario.	Educational toys, walking dolls, dancing dolls, souvenir dolls in national costumes.
Hopf & Hopf .... Montreal, Quebec.	Toys and dolls, glass novelties, porcelain ware, figurines, Christmas tree ornaments.
Outboard, Marine & Mfg. Co. of Canada Ltd. .... Peterborough, Ontario.	Outboard motors, rotary lawn mowers, gasoline engines and generators.
Quidoz Pianos Ltd. .... Montreal, Quebec.	Pianos, organs, musical instruments.

AUSTRIA

Gatchnitzer's Nachf. H. Gessele .... Salzburg.	Toys.
Hofman & Czerny AG .... Wien XIV.	Pianos.
Jaspo, Gerhard Janke .... Wien VII.	Skis and accessories.
Sodia, Franz .... Ferlach, Kaernten.	Hunting rifles.
Vereinigte Ferlacher Jagdwaffenerzeuger GesmbH. .... Ferlach, Kaernten.	Hunting rifles.

GERMANY

Deutsche Angelgerate Manufaktur Dam Hellmuth Kuntze .... Berlin.	Fishing tackle.

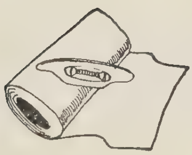
IRELAND

Gaeltarra Eireann .... Dublin.	Dolls, soft toys, hand-woven Donegal tweed, hand-embroidered linen, lace, gloves.

UNITED STATES

Firearms International Corp. .... Washington 22, D.C.	Imported rifles, shotguns, pistols.
Schuco Toy Co. Ltd. .... New York 10, N.Y.	Mechanical toy cars and animated figures.

Textile Products



HAND-EMBROIDERED BLOUSES and petit-point from Vienna, silks from Japan, velveteens from Spain, linens from Ireland—these and many other goods will draw the visitors to this section. The habitual fair-goer will note some absentees—Italy, for example. But there are newcomers. Ireland, as part of its export drive in dollar markets, will display hand-woven cloths, its famous linens, other fabrics and clothing. An exhibit assembled by the Indian Jute Mills Association will feature jute bags, cloths and furnishings, in an effort to step up North American sales. The Netherlands is sending an exhibit; Canada's representation is up over last year.

Space Taken: 8,160 sq. ft. Last year: 11 thousand sq. ft.

Countries Exhibiting: Canada, Austria, Belgium, France, Germany, India, Ireland, Japan, Netherlands, Spain, the United States.

Leading Exhibitors: Belgium, Germany, Netherlands, 1,080 sq. ft. each.

CANADA

W. J. Erly Reg'd. .... Montreal, Quebec.	Imported textiles, lace curtains, fur pile for sweaters.
Olympia Corduroy, Ltd. .... Montreal, Quebec.	Corduroys and draperies.
Textile Sales Ltd. .... Toronto, Ontario.	Woollen, worsted and rayon suitings, cloakings and sportswear fabrics.
Verney Corporation of Canada, Ltd. ...... Montreal, Quebec.	Textile products.
Verney-Corduroys Ltd. .... Montreal, Quebec.	Textile products.

AUSTRIA

Aktiengesellschaft der Voeslauer Kammgarn Fabrik .... Wien.	Textiles.
Alpenlandkaufhaus Kastner & Oehler.... Graz.	Ladies' dresses and lingerie.
Baumann Webwarenfabrik Brueder ...... Gmuend, N. Oe.	Printed drapery fabrics.

Charnaux GesmbH .... Wien 1.	Blouses and lingerie.
Eckhardt, A. .... Voecklabruck, O. Oe.	Knitted wear.
Elias, Siegfried .... Wien 1.	Jersey dresses.
Elsye Strickmoden GesmbH .... Wien 1.	Knitted wear.
Fuerth & Co., Sportstrickerei Rudolf .... Wien V.	Knitted wear.
Kugler, Franz .... Wien III.	Knitted wear.
Lenzing AG, Zellwolle/ .... Lenzing, O. Oe.	Rayon staple fibre.
Liszka Komm. Ges., R. & B. .... Wien 1.	Hand-embroidered blouses (Viennese styles), knitted vests.
Loew-Zimmerman .... Wien IV.	Petit-point articles.
"Rositta" .... Wien 1.	Hand-embroidered blouses, Vienna style.
Sportstrickerei Wispo-Pschikal & Co. .... Wien VII.	Knitted wear, bathing suits.
Stapf, Martin .... Imst, Tirol.	Braid, curtains, table cloths, etc.

BELGIUM

Apollo, P.V.B.A. .... St. Nicolas-Waes.	Knitted wear and textiles.
Belgian Hosiery and Knitwear Manufacturers' Federation .... Brussels.	Hosiery and knitwear.
Bevernage Freres (Tissage) S.A......... Export Depot Tissages des Flanders Brussels.	Bedtickings, furnishing fabrics.
Busschaert A. (Tissage) Export Dept.... Tissages des Flanders Brussels.	Furnishing fabrics and moquettes (frieze).
Derby (Fabrique de Bonneterie et de Confection, Schelfaut Frans) .... St. Nicolas-Waes.	Knitwear.
Etoile, S.A. (Manufacture de Bonneterie) Brussels.	Knitwear, woollen knitted garments for women and children.
Schelfaut Frans (Fabrique de Bonneterie et de Confection "Derby") .... St. Nicolas-Waes.	Knitwear.
Textile Industry (Federation of the Belgian) Textile fabrics .... Brussels.	Textile fabrics.
Tissages Des Flanders .... Brussels.	Furnishing fabrics; bedtickings, uncut moquette (frieze).
Tyberghein (Ets. Gustave) S.P.R.L. ...... Tissages de Velours Menin.	Velvets and plush.
Vercammen-Van Acker (Ets.) S.A....... Mont Saint Amand-Grand.	Hosiery, underwear.

FRANCE

Societe Africaine de Filature & Tissage Rabat (Maroc) .... Paris.	Hand-knotted carpets and rugs; upholstery and curtain materials in Arabic and Parisian designs.

GERMANY

Dierig A.G., Christian .... Augsburg.	Dress prints; bleached and dyed goods; lingerie materials; shirtings; pyjama cloth; damasks.
Kemper KG .... Gelsinkirchen.	Men's and ladies' clothing.
Margaret van den Boogaart .... Berlin W. 15.	Clothing, ladies' and misses', haute couture styles.
Niehues & Dutting .... Nordhorn.	Piece-dyed and coloured woven spun rayon and cotton piece goods.

Spinnerei und Weberei Pfersee .... Augsburg 2.	Cotton and spun rayon fabrics, screen printed handkerchiefs, mufflers, table cloths, etc.
Strumpfabrik Sulida Felix Schuh .... Dachau bei Muchen.	Round-knitted jacquard hosiery for men, women and children, Perlon reinforced.
Ursel Port .... Freising/Bayern.	Cloth; poplin overcoats; sportswear; poplin jackets with seal skin; camp equipment, ladies' one-piece seal skin slippers.
Val. Mehler A. G. .... Fulda.	Raincoats and sportswear of cotton, poplin and gabardine.

INDIA

Government of India .... New Delhi.	Cotton textiles, georgettes, muslins, silks, jute and coir products.

IRELAND

The Crock of Gold Ltd. .... Dublin.	Handwoven, hand-dyed dress, blouse and costume tweeds; scarves, stoles, rugs, ties.
Irish Worsted Mills, Ltd. .... Portlaoighise.	Woollen and worsted suitings, dress and mantling cloths.
D. Pinnock & Co. .... Dublin	Blouses, cardigans, children's wear, clothing, dresses, embroidery, hosiery, infants' wear, jumpers, linens and apparel.
Sunbeam Wolsey Ltd. .... Cork.	Men's, women's and children's hosiery, underwear, knitting wools, woollen and worsted cloths.

JAPAN

Japanese Committee for International Trade Fairs .... Tokyo.	Textiles.

NETHERLANDS

H. Berghaus NV .... Amsterdam.	Coats, suits and shorties for ladies and juniors.
N. V. Janssens Van Buren's Woollen-Stoffenfebricken .... Tilburg.	Woollens and worsteds for ladies, misses, nuns, priests; ladies' and men's woollen scarves.
Scholten & Zonen N. V., J. F. .... Enschede.	Coloured, woven and undyed cotton and rayon piece goods; scarves, handkerchiefs.
Ter Weeme & Zonen N. V. .... Neede.	Plain and terry towels, white and coloured table cloths, nylon dress material.
Van Vlissingen & Co.'s Katoenfabrieken.. Helmond.	Printed cottons and rayons, handkerchiefs, flags.
"LUCKY" B. Waterman N. V. .... Amsterdam.	Ties, scarves, squares, underwear, handkerchiefs, yard goods for neckwear manufacturing.
Woollenstoffenfabrieken Van L. E. Van .. Tilburg.	Fancy and plain ladies' coatings and dress goods, woollens and worsteds.
Zaalberg & Zoon, J. C. .... Royal Holland Blankets Factory. Leiden.	Blankets, rugs, uniform cloth, scarves, coatings, tweeds.
Zaalberg Woollen Cloth Factory .... Leiden.	Blankets; rugs; scarves; cloth (coating); cloth (tweeds); cloth (uniform).

SPAIN

Julio Munoz .... Barcelona.	Cotton velvets, velvet corduroys and moquettes.

UNITED STATES

Indian Jute Mills Association, Inc. ...... New York 17, N.Y.	Jute (burlap) bags, cloth and furnishings.

Transportation Equipment

SOME OF THE EXHIBITS classed under this head will be housed in the Coliseum; the larger pieces of equipment will be on view outdoors. Among the displays planned are:

- Crude oil, industrial lubricants, etc., to be shown by Imperial Oil Ltd., a new exhibitor.
- Twenty-four h.p., medium-size engines made by the German Volkswagen firm.
- Fire trucks and other fire-fighting equipment made in Canada.
- Oil seals and precision moulded rubber parts.
- For the boating enthusiast, a display of dinghies, tenders, and other types of boats, and hulls to be finished.

Space Taken: 3,840 sq. ft. Last year: 3,760 sq. ft.

Countries Exhibiting: Canada, Belgium, France, Germany, Sweden, United Kingdom, United States.

Leading Exhibitor: Canada, with 1,920 sq. ft.

CANADA

American Marsh Pumps Canada Ltd. .... Stratford, Ontario.	Fire trucks, firefighting equipment, all types of pumps.
British American Oil Co. Ltd............ Toronto, Ontario.	Petroleum products, cutting oils, engine oils, heating treatment oil, quenching oils, gasoline, diesel fuel, hydraulic fluids, etc.
Imperial Oil Ltd. .... Leaside, Ontario.	Petroleum products, industrial lubricants and hydraulic oils, industrial process products, solvents, fuels, caseins and waxes, industrial and automotive products.
Industrial Shipping Company Ltd. ...... Mahone Bay, Nova Scotia.	Dinghies and tenders, boats, (life, race, outboard and auto top); hulls to be finished.
Sun Oil Company Ltd. .... Toronto, Ontario.	Petroleum and its products, oils (lubricating motor, hydraulic and metal working); waxes.
Super Oil Seal Manufacturing Co. Ltd. .. Hamilton, Ontario.	Oil seals, precision moulded rubber parts, rawhide hammers and mallets.
Phil Wood Industries Ltd. .... Windsor, Ontario.	Hydraulic tailgate loader; busy body.

BELGIUM

Sabel .... Brussels.	Automotive accessories and equipment.
Transak .... Brussels.	Cycles; cycle accessories; agricultural machines.

FRANCE

Henin-Lietard (Acieries d') .... Paris.	Mine trucks and spare parts.

GERMANY

Optik Werk GmbH & Co. .... Kommandit Gesellschaft. Hauptverwaltung Essen.	Saws, gasoline-chain; motors for cycles, motorcycles.

Rex-Motoren-Werk, E. & K. Bagusat.... Muenchen 25.	Bicycle motors; motor bicycle.
Steinbach and Co. .... Werkseugfabrik. Gevelsberg.	Automobile tools.
Volkswagenwerk GmbH. .... Wolfsburg (20a).	Stationary engines, 4 strokes, 4 cylinders.

SWEDEN

AB Wikstrand & Berg Ltd.. .... Mora.	Aircraft gangways, portable staircases of aluminum alloy tubing.

UNITED KINGDOM

Industrial Exports Ltd. .... London.	Motorcycles and accessories, bicycles and light motorized vehicles.
Wilmot Breeden Ltd. .... Birmingham.	Automobile and refrigerator die-cast and plastic components and accessories.

UNITED STATES

Armstrong Rubber Export Division of Drake American Corp. .... New York, N.Y.	No details available.

At Your Service . . .

"THE SERVICE AREA"—that is the name sometimes given to the Reception Centre just inside the main entrance. This part of the Fair is devoted to making the visitor's stay more pleasant, to helping him with his problems, and to smoothing his path.

In this section you will find interpreters, public stenographers, a place to send telegrams or cables, to make transportation reservations, to check on time-tables, to leave messages. Guides will direct you to the exhibits in which you are especially interested; customs officers will answer your questions.

Several organizations reserve booths here and staff them with trained representatives. The Canadian Chamber of Commerce, the Canadian Manufacturers' Association, the Canadian Exporters Association, the Canadian Importers and Traders Association, the International Service of the CBC, and the United Kingdom office of the Canadian Government Exhibition Commission all have taken space this year and are at your service. In addition, the Department of Trade and Industry in every province will have representatives on hand.

Certain officers of the Department of Trade and Commerce, which sponsors the Trade Fair, will also be attending. They will be on duty at the Trade and Commerce desk in this section and will be glad to give advice on all types of trade problems.

foreign trade

May 2, 1953

U.S. Business . . . as Chicago Sees It (page 2)

foreign trade

VOL. 13 OTTAWA, MAY 2, 1953 NO. 331

OVER . . . Rolls of Can-
lian newsprint to feed the
eat newspaper presses are
loaded in the heart of Chi-
go. For a report on business
nditions in the U.S. generally
ring the first few months of
53, and on the Chicago
ea during 1952, turn to
ge two.
—Photo by Chicago Daily News

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

U.S. Business . . . as Chicago Sees It

Despite some pessimism about the long-term business future, industrial output continues to rise, the steel industry is working at capacity, construction booming—Chicago reports.

CHICAGO—Although business activity continues at a record high, United States financial circles feel some concern about both long and short-term business trends. Business activity has climbed slowly since the turn of the year but some are doubtful whether the rise can be sustained.

Depleted Stocks Rebuilt

Specifically, certain businessmen believe that consumer purchases are not increasing enough to absorb the larger flow of goods and that inventories will accumulate, with a subsequent slowdown in orders. These views appear more prevalent among distributors of consumer durable goods, stemming from the fact that production of automobiles and electrical appliances, and particularly of television sets, increased considerably from the summer of 1952 and into March 1953. On the other hand, manufacturers of such products generally say that their lines are moving readily, that the heavy increase in inventories is scarcely more than sufficient to rebuild depleted stocks, and is actually needed to take care of the increased sales.

Since the beginning of the year, industrial output has risen by approximately 8 per cent above the corresponding period in 1952. The Federal Reserve Board's industrial production index in March reached 240 per cent of the 1935-39 average. The all-time high was 247 per cent, recorded in November 1943, when war output was at its peak. Retail sales continue to be good compared with those of a year ago, despite the more than seasonal post-Christmas slump.

Heavy Industry Prospers

The bellwether steel industry is still being subjected to insistent demands from anxious customers and there is rising optimism about the possibility of maintaining capacity operations well into the third quarter of the year and perhaps even longer. The automobile industry is in the forefront of the search for steel, but other durables producers, particularly appliance-makers, are close behind. Expensive conversion contracts are being extended beyond midyear and it is reported that increasing amounts of steel products are being purchased from abroad at premium prices—particularly cold-rolled sheets for vehicle bodies.

The automobile industry hopes to produce and sell more than five and a half million passenger cars and about one and a third million trucks this year and wants to place a maximum number of units in the hands of dealers before the seasonal spurt in purchasing begins. Makers expect

Chicago, once called "hog butcher to the world", continues to be the centre of a great meat-packing industry, though in the last two years the heavy goods industries have enjoyed the greatest prosperity.

to deliver 65 per cent of this year's output to dealers by the end of June. The production of passenger cars was 50 per cent higher in the first quarter than a year ago. The brisk pace of activity has created a critical shortage of labour in automobile-producing centres.

Construction Continues High

Activity in the construction industry is also continuing at high levels, with a smaller than usual decline from last year's summer and fall peaks. Construction expenditures during the first two months of the year totalled \$4·5 billion, 6 per cent above the same period of 1952, though only 1 per cent higher in physical volume. The most recent figures, however, show a decline in the letting of public contracts, reflecting the Administration's policy of re-examining proposed construction projects as part of its economy drive.

A very mild winter in most sections of the country may partly account for the rise in home-building. Another factor is the ending of credit controls. Moreover, the liberalization of Federal Housing Administration and Veterans' Administration mortgage terms may have acted as minor stimulants to the housing market. For instance, the number of residential building permits issued in the Chicago metropolitan area during February was 20 per cent higher than in the same month of 1952.

By Executive Order on February 6, all wage and salary controls were eliminated. In contrast to the supply of many types of goods, the supply of civilian workers has not increased appreciably in the past two years. Recent months have witnessed the tightest labour market since World War II.

73499—1½

Although labour is not a commodity, the size of pay cheques is obviously influenced by supply and demand. Many wage boosts were prevented or delayed during the control period, despite wide publicity given to certain breaches in the dike. Now important union contracts are coming up for review and attempts are being made to re-open agreements with one or more years to run. Some firms operating non-union shops are already raising wages to compete more successfully for workers.

Employment Lower

Employment has been lower in the past several months because of the seasonal decline in farm and construction activity during the winter and the laying-off of temporary help which was employed by stores and the post office during the Christmas rush. Unemployment has not increased correspondingly, however, because many of these temporary workers (housewives, students, etc.) withdrew from the labour force. In February, national unemployment totalled 1·8 million, 500 thousand more than in October but 300 thousand less than in February 1952.

The labour market continues very tight and unemployment as a proportion of non-agricultural employment ranged from 1·7 per cent in Michigan and Indiana to 2·4 per cent in Iowa in mid-February, as compared with a national average of 3·1 per cent. Michigan shows the most spectacular change in the employment situation from the early months of last year; it has shifted from a labour surplus to a shortage area.

Effects of Price Decontrol

Decontrol has not materially affected prices during the past two months. Coffee, cigarettes, and a few industrial commodities such as copper and sulphur have posted increases, but the effect on the over-all price level has been minor. Wholesale price indices rose slightly in February and early March, but the total gain has been less than 1 per cent. It is definitely too early to judge the full effects of decontrol.

The Chicago Area

Estimates compiled by the Industrial Department of the Chicago Association of Commerce and Industry place the value of manufactured products turned out in the Chicago metropolitan area last year at approximately \$16·1 billion. (This compares with the \$16·3 billion worth of products turned out by Canada's manufacturing industries in 1951.) In 1952 Chicago's industrial community, which in recent years has been in the habit of breaking one record after another, did not quite maintain its impressive expansion. However, this fact was not considered a cause for pessimism. Chicago's industry, already trained to accommodate tremendous military and civilian demands, had rolled up so many new production records in 1951 that just staying abreast of its remarkable total output was a major accomplishment. In a word, 1952 saw Chicago riding high on a plateau of record production, employment and prosperity.

As in the previous year, it was the city's heavy goods industries—benefiting from both military and industrial demand—which enjoyed the greatest prosperity. Machinery producers in the Chicago area turned out about \$3·5 billion worth of goods, an increase of about \$300 million over 1951. Meanwhile the output of fabricated metals increased during

the year by about $60 million, transportation equipment by about $80 million, and petroleum and coal products by about $20 million. Most other major lines of industry either held their own or, in value and output, tended slightly downward.

Construction in the Chicago area, both residental and industrial, remained exceptionally high throughout 1952. Though forecasts were that home-building would slacken materially, the area actually achieved the second largest volume of residential building in its history. Announced plant investments dropped during the year, but many of the record plant expansions announced during the previous year were actually carried out in 1952, making it one of the banner plant expansion years for Chicago.

The Outlook

Recent reports indicate that business conditions in the Chicago area in 1953 are following the national trend. Department and chain store companies, many of which have their national headquarters here, report sales 10 per cent ahead of 1952 in the three weeks ended March 14, but about the same as 1952 in the first eight weeks of the year. Manufacturers feel optimistic about future prospects and, in most cases, their plants have been working at capacity. The labour market is tight and the volume of construction considerably ahead of the same period in 1952. However, although business in general is holding at record high levels, in recent weeks there has been some pessimism. Several quarters feel apparent anxiety over the degree of inflation and are making forecasts of a recession before the end of the year, perhaps on the scale of that in 1949.

—Douglas S. Cole
Consul General of Canada

—R. V. N. Gordon
Vice-Consul of Canada and Assistant Trade Commissioner

PROBLEM IN PACATAS

It is not often that the Bank of Canada is stumped on a foreign exchange problem. This week, however, the Department of National Revenue had to estimate duty on a shipment from Macau, and wanted to know the value of the local currency. The Bank didn't know and phoned the Asia Desk of the Department of Trade and Commerce. It took quite a lot of searching to come up with the right answer, but we finally got it.

Macau is a tiny Portuguese colony on the mainland of China about 40 miles from Hong Kong, noted for gambling and the freest gold market in the Far East. Normally its trade passes through Hong Kong and direct shipments are unusual.

P.S. The medium of exchange is the Pacata and its value is tied to that of the Hong Kong dollar, worth about Can.$0·17.

Argentina and Uruguay

Markets for Seed Potatoes

Canadian seed potatoes, shut out of the Argentine market for the past two years, may sell there again this season; Uruguay will buy a smaller quantity than in 1952, at a lower price.

BUENOS AIRES—With continued favourable weather for the Rosario crop, Argentina should have a total potato production of about 1·2 million metric tons, 2·5 per cent above last year. This would mean an adequate supply for home consumption and a small surplus for export.

The early and semi-early crops, both larger than last season, have been harvested and gone into consumption. The semi-late or the main crop—about 75 per cent of the national production—is centred around Balcarce and includes the irrigated districts of Mendoza and Rio Negro. This crop is now being harvested and the Balcarce zone is expected to yield over 700 thousand tons, or about 12 million sacks. The late crop, mainly Rosario's second crop, is not harvested until May-June and much depends on the weather conditions over the next few months. However, the condition of the crop continues favourable.

The total acreage planted for 1952-53 is slightly above last year's 173 thousand hectares. Yields are reported to be generally higher this year, averaging about eight tons per hectare in Balcarce. As the annual domestic requirements are about one million tons, the domestic market will be adequately supplied for the remainder of the season or until October.

The good crop of potatoes is the result of favourable growing conditions throughout the season. Last year, Argentina had poor yields mainly because of drought and the potato crop totalled 959,720 tons, which was less than home requirements.

Prices Higher in '52

Entries of home-grown table stock in the National Potato Market in Buenos Aires during 1952 were 3·98 million sacks, nearly one million less than in 1951. The 1950 figure was 5·46 million sacks.

As a result of the reduced supplies, record price levels were maintained throughout the year. The average monthly wholesale prices were from ·50 pesos to ·92 pesos per kilo. This compares with the average of ·22 pesos for 1951, ·33 pesos in 1950 and ·44 in 1949. The low prices in 1951 was the result of a record crop of 1·5 million tons, or over-production in that year.

During the first quarter of 1953 average wholesale prices at the National Market were from ·56 to ·72 pesos per kilo and are expected to edge downwards as larger quantities of the Balcarce crop come on the market.

Imports

During the last quarter of 1952, Argentina imported 195,812 crates and sacks of table potatoes from Italy and Denmark and 21,815 sacks of seed potatoes from Denmark. No seed potatoes were imported from Canada for the 1952-53 crop plantings because of the acute shortage of dollar exchange. In 1951, no seed or table potatoes were imported from any source.

Outlook for Sales

Domestic prices will be lower than last year because of abundant supplies, and therefore producers will not be enthusiastic about buying high-priced seed. However, Argentina needs imported seed this season to serve as foundation stock. Imports of the popular varieties, Katahdin and White Rose, have been limited in recent years so that now much of the stock should be renewed. Imported seed requirements are calculated to be about 200 thousand crates of Katahdin, 30,000 of White Rose, and perhaps smaller quantities of some of the newer varieties.

If Argentina purchases this year, the business will be handled by the Argentine Trade Promotion Institute (I.A.P.I.), an official government entity, on a call for tenders, the method used in recent years. It is expected that tenders will include prices for packing in both crates and sacks, the latter for shipment in refrigerated space, both on a c. & f. basis. There is no particular demand for the small-size grade because it is customary to cut the seed and producers prefer the two grades packed together.

The quantity that will be purchased will depend on Argentina's dollar exchange position later in the year and on the amount of dollars that the Central Bank can allocate for this purpose. But the exchange position will improve this year and the prospects for the sale of seed potatoes are more hopeful than at any time in the last two years.

Uruguay

THE POTATO SITUATION in Uruguay this year is much the same as last and the country will be short of both table and seed potatoes. Last year a large part of the summer crop—planted with imported seed—was lost because of drought and, as a consequence, seed for planting the winter crop ran short. In January of this year, the country had too much rain, with heavy losses to early plantings; in February rain hampered operations so that growers could not plant their intended acreage. In 1952 Uruguay imported about 47 thousand tons of table potatoes from soft currency countries, mainly the Netherlands, Denmark and Spain, and will probably have to import a similar quantity this year.

Imports of Canadian seed are for planting the summer crop in January-February, which is intended primarily to supply seed for the winter crop planted during August-September. The loss of the summer crop not only represents to the producer the loss of his investment in imported seed, but reduces the supply of domestic seed for the next crop and creates a shortage of table stock. However, despite the short crops, the National Food Council has held the ceiling price of home-grown and imported table potatoes at ·19 pesos per kilo ($5\frac{3}{4}$ cents per lb.) to the consumer since 1949.

Outlook for Sales

Uruguay will be in the market for seed potatoes this fall but for a smaller quantity than last year and at a lower price. Last season the Official Seed Service purchased approximately 155 thousand 100-lb. sacks of Canadian seed potatoes at US$5.70 per sack landed in Montevideo. This was the highest price Uruguay had ever paid for seed potatoes and represented an expenditure close to one million dollars. The quality of the seed, however, was excellent and all cargoes arrived in perfect condition.

Because of unfavourable weather for planting and, to some extent, high prices, the Official Seed Service could not sell all the seed imported and disposed of about 12 thousand sacks as table stock at a loss of 2.60 pesos per sack.

The Katahdin continues to be the popular variety for Uruguay and the Pontiac is favoured in several zones. The Kennebec gives favourable yields under most Uruguayan conditions but is said to be inferior in keeping qualities to the Katahdin. The demand for White Rose seed is limited to a few thousand sacks for planting in the south to supply domestic seed for a small zone in the north of the country. Depending on the price of imported seed and the availability of dollar exchange, the Official Seed Service expects to purchase up to 130 thousand sacks of certified seed potatoes this season. This quantity will probably be made up in the proportion of 60,000 Katahdin, 40,000 Pontiac, 20,000 Kennebec and 2,000 White Rose.

The purchase will be made by the Official Seed Service on a call for tenders, following the practice in recent years. It is preferable that the exporter submit his tender through his broker or representative to ensure that it is legally in order and that it will be admitted. The date for tenders is the first fortnight of September.

—W. B. McCullough
Agricultural Secretary for Canada

VISIT TO COPENHAGEN

J. L. Mutter, Commercial Secretary for Canada in Oslo, will visit Copenhagen for several days beginning May 7. Businessmen interested in this area are invited to get in touch with Mr. Mutter at his Oslo office.

Canada's Trade with Britain

- *Canadian sales to the U.K. up 22 per cent in '52.*
- *British sales to Canada in '52 down 15 per cent.*
- *New factors are now influencing trade outlook.*

LONDON—Last year, for the third time since the war, Canada was the United Kingdom's leading source of supply. The landed value of Canadian imports reached £319 million, an increase of 22 per cent over 1951 and a peacetime record. Next in order came the United States and Australia.

Canadian shipments represented 9·3 per cent of all Britain's imports, compared with 8 per cent in 1938. Back in 1947, the Canadian share reached 13 per cent but this gradually dropped to a low of 7 per cent in 1951. Thus, in terms of value, Canada last year regained its prewar position and outranked the United States, which supplied 9 per cent of all imports compared with 13 per cent in 1938.

Obviously, Canada is retaining her hold on this market but her exports have changed in three ways, as contrasted with prewar years.

- The aggregate value of Canadian exports to Britain has risen from $411 million in 1938 to $746 million—a substantial increase even in 1938 values.

- Postwar dollar shortages have drastically reduced imports of non-priority foodstuffs, manufactured or consumer goods.

- About 37 per cent of Canadian exports went to the United Kingdom in 1938, but only 17 per cent in 1952; the other 20 per cent has been diverted to the United States (14 per cent) and to other countries (6 per cent).

The Big Increases

Wheat and flour; wood products, pulp and paper; ores, concentrates and metals—these are the three pillars of Canada's export trade with the United Kingdom—and the last group is growing rapidly in importance.

Wheat and flour made up nearly one-third of Canada's shipments in 1952, a somewhat higher proportion than in the previous year, and rose in value from £87 million to £102 million. Other major increases were:

Commodity	% Increase over 1951	Value	
Softwood	20	£43	million
Aluminum	75	36	"
Wood pulp	12	16	"
Zinc	50	12·6	"
Pitprops	300	7	"
Ferro-chrome and ferro-silicon	100	7	"
Tobacco	60	7	"
Newsprint	98	6	"
Non-ferrous ores and scrap	20	6	"
Pig iron, steel and steel scrap	...	6	"
Asbestos	40	3·4	"

Flaxseed, linseed oil, synthetic rubber, hardwood, paperboard, machinery and radio equipment showed lesser increases. On the other hand, exports of certain chemicals, cheese, apples, canned fish, barley, zinc ores and concentrates, hides and skins, rubber boots and shoes, needles and washing machines declined.

A special feature of this year's trade was the shipment of 32 thousand tons of Canadian beef and veal. This was supplied under a switch deal with New Zealand whereby meat barred from the United States following the outbreak of foot and mouth disease in Canada was shipped to Great Britain and paid for from the proceeds of an equivalent quantity of New Zealand meat sold to the United States.

Token Imports

Imports from Canada under the Token Import Scheme fell off in 1952. This scheme has been in operation since 1946 and under it a selected list of goods, supplied from Canada and the United States during the period 1936-38, are admitted.

Token import quotas, which stood at 40 per cent in 1951, were reduced to 30 per cent at the beginning of 1952. In addition to this over-all reduction, however, a number of quotas were not taken up because of uncompetitive prices and other marketing factors. The net result was a drop in the volume of less essential consumer goods supplied to this country which represent a carryover from the days of unrestricted trade. The three governments concerned are continuously examining this scheme to make it as effective as possible in keeping up the British market for goods which have a traditional place in Anglo-Canadian trade.

Exports to Canada Fall

Canadian purchases from the United Kingdom in 1952 dropped from $421 million to $360 million, or about 15 per cent. Textile imports were cut by a third; passenger and commercial vehicles were down 15 per cent, and other metal and engineering products (including tractors, steel pipe, and communications equipment) were up. The best performance was in the machinery group which increased its sales by 25 per cent, with machine tools, electrical and textile machinery making a particularly good showing.

The Trade Outlook

Last year was noteworthy for the wide range of commodities removed either wholly or partially from government control. Those of particular interest to Canada included timber products, lead, zinc, linseed and linseed oil, ferro-alloys and chemical fertilizers.

In February the Government announced the ending, in August 1953, of rationing of and price controls on cereals, flour and feeding-stuffs. (Details of import controls and the handling of imports by private trade will be found on page 22 of this issue.) Three of the major Canadian exports—timber, cereals and flour—will thus be selling under radically different conditions following many years of bulk purchasing. The effectiveness of Canadian export promotion and price competition will now have a greater influence on sales. Flour millers who wish to re-establish their outlets in this country will have to consider making on-the-spot investigations.

With lead, zinc, linseed and linseed oil, ferro-alloys and chemical fertilizers, the decontrol, though important, has less direct bearing on prospective sales in Britain.

The Chancellor of the Exchequer recently announced that gold and dollar reserves have passed the $2,000 million mark and intimated that the general improvement in the country's internal finances would permit some easing of import restrictions. This was followed by a decision to relax restrictions on imports of foods and manufactured goods from Europe and some other soft-currency countries during the second half of 1953. Simultaneously the Chancellor announced a three-point campaign for raising productivity in British industry and made a vigorous plea for an intensified export drive.

Liberalizing Imports

In the export field, there has been a halt in the downward trend in some of the major commodities such as textiles. At the same time, shortages of certain raw materials which have been holding up exports have been relieved and deliveries of machinery and equipment have improved. This should mean greater overseas sales, although there are some reservations about machine tools in the light of the easing-up of general defence production.

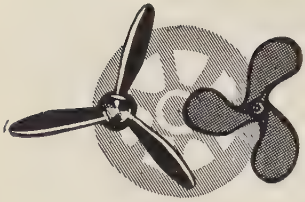
Britain does not expect any economic miracles this year. Whatever improvement there is will probably be reflected in the further liberalizing of trade with OEEC countries rather than with the dollar area. The decontrol measures on timber products and cereals adopted by the British authorities over the last 15 months, however, should bring some benefits to Canadian traders.

—R. Campbell Smith
Commercial Secretary for Canada

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.



TRANSPORTATION NOTES

CANADA

Canada-East Coast of South America—Lamport and Holt Line Company, Ltd., which is currently operating a regular monthly service from United States North Atlantic ports to the east coast of South America, is expanding its service to include eastern Canadian ports. The first ship in this service will be the *Sallust* which was scheduled to depart from Montreal on April 22, arriving at the various South American ports on the following dates: Rio de Janeiro—May 22, Santos—May 24, Montevideo—May 27, Buenos Aires—May 29. Following this departure, monthly sailings will be maintained between Montreal (summer) and West Saint John (winter) and Bahia, Rio de Janeiro, Santos, Montevideo and Buenos Aires. General cargo will be carried aboard all vessels and certain vessels have reefer space. Canadian Pacific Steamships Limited has been appointed the Canadian agent.

Great Lakes and the United Kingdom—The Canada-United Kingdom Line Limited (Canuk Line) announced it has extended its trans-Atlantic service between Canada and the United Kingdom into the Great Lakes, effective with the opening of navigation on the St. Lawrence and Great Lakes. A fortnightly service is to be maintained with fast modern motor vessels between London-Liverpool and Toronto, Hamilton and Sarnia. Calls will also be made at smaller Great Lakes ports when there is sufficient cargo. March Shipping Agency Ltd., Montreal, are general agents for the Canuk Line.

Rates on Mixed Carload Lots—A new formula covering the application of class rates to commodities shipped in mixed carload lots was announced recently by the Canadian Freight Association. Under this formula, Canadian rail and water carriers will, on shipments moving within Canada only, apply respective carload class rates authorized in the Canadian freight classification on the actual weight of each article included in a mixed carload shipment. The mixed carload will be subject to the highest of the minimum weights applicable to any of the articles in the car. If there is a deficiency in the minimum weight for the carload, it will be charged at the lowest carload class rate applying to any commodity in the mixed carload—Montreal, April 13.

INDIA

Bombay Harbour Improvements—A scheme to modernize installations in the Port of Bombay has recently been announced by the Port Trust Authorities. The first of 34 electric cranes already ordered for Ballard Pier and Alexandra Dock are scheduled to be installed by the end of this year or early 1954. The plan includes an entrance lock for the Prince's and Victoria docks and widening of the communication passage between them, closing of the existing entrance gates, and lengthening of jetty berths in Victoria dock.

The scheme, estimated to cost a minimum of Rs.45 million ($9 million) will permit the docks, which at present have a total of 50 berths, to take deep draft cargo vessels. Other projects being considered include: construction of bull noses for a new drydock, further harbour rail facilities, and construction of an oil terminal in natural deep waters to handle the requirements of two oil refineries soon to be erected on the outskirts of the city—Bombay, April 10.

NORWAY

Shipbuilding—During 1952 Norwegian shipyards delivered 44 ships totalling 103 thousand gross tons (approximately 150 thousand tons dead weight), as compared with 47 ships totalling 73 thousand gross tons (100 thousand tons dead weight) in 1951. At the beginning of the year Norwegian shipyards had contracts for 110 ships of a total gross tonnage of 665,200, of which 55 are tankers totalling 513,500 gross tons. These figures are considerably higher than those recorded for tonnage under construction on July 1, 1952—Oslo, April 20.

PHILIPPINES

Convair Liners—The Philippine Air Lines has announced the purchase of six Convair Liner 340's. The Convairs will be used for both the domestic service and the Far East regional operations of the Philippine Air Lines—Manila, April 15.

UNITED STATES

Windsor-Detroit Traffic—The first official transportation link between Canada and Detroit was established in 1798 when a licence was granted to a John Askin to operate a ferry across the Detroit River. Today, by bridge and tunnel, millions of vehicles and persons cross the river each year. Last year over 16 million persons made the crossing between Windsor and Detroit and in the past ten years the vehicle traffic has tripled, as these figures show:

Year	Bridge	Tunnel	Total
1943	486,472	907,658	1,394,130
1949	1,811,840	2,462,069	4,273,909
1951	2,062,163	2,634,990	4,697,153
1952	2,249,850	2,469,158	4,719,008

The increase in truck traffic by both bridge and tunnel points up the growing amount of U.S. and Canadian exports carried by trucks making use of these arteries—Detroit, April 24.

Japan's New Import Policy

> *Export industries will receive priority in imports.*
> *Purchases from sterling area will be lower.*
> *Two systems of import licensing retained.*

TOKYO—Japan's foreign exchange budget plan for imports in the first half of the 1953-54 fiscal year (April 1 to September 30) totals about $1,555 million Canadian. This represents about $208 million more than for the similar import period of 1952-53 but is $126 million short of the import budget for October 1 to March 31, 1953. Imports of goods as visible trade will take up $1,225 million; payment for services and other items of invisible trade, $329·8 million.

Of the $1,225 million for goods, $579 million will be allocated for imports from dollar area countries, including Canada—$30·8 million more than for the same period last year. About $299·9 million will be set aside for goods from the sterling area, ($152·4 million less), and $346·4 million for imports from countries with which Japan maintains open accounts, ($105·3 million more). As in previous budgets, these totals include a contingency reserve for the import of urgently needed goods if shortages should develop.

New Priorities in Imports

In addition to the usual licences to import commodities difficult to secure anywhere but in dollar area countries, importers of raw materials for the manufacture of export goods will receive priority, as will firms capable of fulfilling procurement demand contracts of the United States forces. It is by no means certain that Japan's exports will increase over present low levels. Recent Japanese-British trade talks for expanding trade with the sterling area have created some optimism but rising prices of certain goods will hinder the drive for increased exports. Textile mills which manufacture goods for export will receive preference in allocations of imported raw cotton and wool. The Government will continue to make additional efforts to see that firms which make machinery for export receive steel at favourable rates. Imports of some types of machinery which can be bought on the domestic market only at high cost may be favourably considered, provided producers for the export market need it.

Two Systems of Import Licensing

About 190 items, including beef, tallow, lard, hides, skins; linseed; Douglas fir and other American lumbers; nylon waste; zinc, copper and lead scrap and asbestos, are listed under the "Automatic Approval System". Under the budget, 88 of these 190 items, to the value of $80 million, may be imported from the dollar area. The sterling area ceiling,

for 95 items, is also set at $80 million. All 190 items may be imported from the open account area up to a value of $100 million, to make up the total of $260 million of imports under the Automatic Approval System.

Imports under the foreign exchange fund allocation system are budgeted at $708·3 million. Of this amount, $399·1 million is set aside for the dollar area, an equivalent of $162·9 million for the sterling area, and $146·4 million for the open account area.

The most important commodities to be imported under the budget fund allocation system are listed below, with their origin.

Commodity	Total imports	Dollar area	Sterling area	Open Account area
Rice	$ 94·3	$29·7	$19·6	$45·0
Wheat and barley	76·4	60·6	....	15·7
Raw cotton	162·7	98·8	42·5	21·4
Raw wool	56·0	....	46·8	9·2
Iron ore	25·1	11·3	7·9	5·9
Coal	29·3	26·6	2·7	....
Petroleum	52·0	38·3	13·7	....
Machinery	56·1	42·0	0·9	13·2
Aircraft	13·3	9·4	3·9	....
Salt	8·2	0·2	4·7	3·3
Automobiles	6·4	1·0	2·0	3·4
Other imports	128·7	81·2	18·4	29·1

The amount of $15·75 million for imports of wheat and barley from the open account area represents a planned import of 150 thousand tons of wheat from Argentina, with whom Japan has a large credit balance. To help balance trade with that country, Japan will import wheat, cotton, and wool, even though she could obtain these commodities more cheaply from other sources.

The range of items to be imported under the new budget is very similar to those imported during the previous six-month period. Generally speaking, import licences for the dollar and sterling areas will be valid for four months except for machinery and iron ore, licences for which will be valid for six months. Scrap iron, beef, and tallow must be imported within three months of the time the import permits are issued.

—R. F. RENWICK
Assistant Commercial Secretary for Canada

Transportation

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

Colombia and Ecuador

A Market for Canadian Fish?

Small quantities of canned salmon, tuna and sardines move from Canada to these countries, but competition from other sources is becoming keen and increasing sales may prove difficult.

BOGOTA—Colombia, for varied reasons, has never become one of the Caribbean markets for Canadian salted and dried fish. The fact is that Colombians are not fish-eaters to any great extent. And, although the Republic has long coastlines washed by both the Atlantic and the Pacific and the adjacent waters are said to be rich in marine life, Colombia does not itself produce much fish.

One of the principal factors inhibiting the growth of a domestic fish industry is geographic. The thirty per cent of the country which is heavily settled is situated largely away from the coastal belts in the mountainous three cordilleras of the Andes which traverse the country from south to north, and in the intervening river valleys, including that of the Magdalena. Of Colombia's eleven cities of 100 thousand population or over, only two, Barranquilla and Cartagena, are in the coastal region. Because of the relative distance of the populous markets from the sources of supply, and the tenuous communication lines between the settled highlands and the coast, fish products have never gained a worthwhile hold on the market.

Domestic Production Fostered

An international economic report on Colombia published in 1948 remarked on the wide discrepancy between actual fish production and the potential of the rich coastal waters. The report also delved into the deficient diet of a large percentage of the Colombian population and recommended that steps be taken to increase the domestic production and consumption of fish. Since that time, there have been efforts to implement the suggestions made in the report. Modern fishing craft equipped with the latest gear, including refrigeration, have been purchased and put into operation. Canneries have been set up at Santa Marta and Barranquilla on the Atlantic coast and a plant is being built at Buenaventura on the Pacific. Barranquilla also has a freezing plant. Domestic products include spiny lobster, sardines, shrimp, Spanish mackerel, tuna, haddock, and others. From Barranquilla fish are flown to markets in the interior and from Buenaventura refrigerated fish trucks proceed to Cali, and from there the products are forwarded by air to Bogotá and other large centres.

For centuries fresh-water fish have supplemented the diet of people living near the banks of Colombia's great rivers. Unfortunately, although many species of fish are found in these waters, a number have no com-

—Grace Line

This waterfront market in Cartagena, Colombia, serves as a clearinghouse for provisions, including fish, delivered by hundreds of sailboats from nearby rivers. But transportation of fish to the interior constitutes a real problem.

mercial value. The Government is working on schemes to restock suitable interior waters with better types of fish to improve output both in quality and quantity. Canadian rainbow trout have been placed in certain lakes and streams.

In spite of these developments, fish remains expensive throughout most of the Republic and it therefore cannot compete with substitute foods readily available from local sources. Until there is suitable transportation between the interior and the coast, and until an adequate fresh-water industry is established, there seems to be little likelihood of fish winning a large market.

Import Restrictions in Force

Fresh, frozen and salted fish are prohibited entry into Colombia; so are prepared and canned fish. However, by Colombian Government decree of January 1, 1953, some types of the prepared and canned variety, such as sardines, salmon and tuna, are permitted entry through the use of certificates of exchange. These certificates are available to exporters of certain natural Colombian products other than coffee and, because they include the right to foreign exchange, including dollars, they may be used to buy certain goods normally included on the prohibited list. These certificates are negotiable, and frequently command premiums of up to 75 per cent on the market. Because of this heavy charge, Colombians can afford to bring in under this scheme only luxury goods or those in great demand. In actual fact, the landed price of imports made against these certificates and after payment of customs duties and clearance charges works out at about 500 per cent over cost.

Sardines and canned salmon imported in this way may be found in better class retail outlets in leading centres such as Bogotá. There is thus a modest market for these Canadian lines but competition is keen, particularly from the United States, Venezuela and Europe.

Ecuador, although farther away from Canada than Colombia, offers modest possibilities to Canadian exporters of canned and preserved fish. Imports from Canada during the calendar year 1952 were:

	Cwt.	Value
Canned salmon—chum	333	$8,754
Canned salmon—pink	51	1,386
Canned sardines	225	2,813

This market is very competitive, with many foreign suppliers, particularly in the United States, in a position to serve it. Nearly all business is done through the great port of Guayaquil and to a lesser extent through the capital, Quito.

Generally speaking, the economy of Ecuador is healthy. An agricultural country, its prosperity depends on the success of certain leading crops such as rice, coffee, cocoa and bananas. Latest reports indicate that beneficial rains throughout the country have improved prospects for all the main crops well above average. As a result, the foreign exchange situation is stable and funds are readily available to pay for imports of canned fish.

—John E. Lancaster
Assistant Canadian Government Trade Commissioner

Greece Revises Its Trade Policy

ATHENS—The Greek Minister of Co-ordination, Mr. S. Markezinis, announced in a radio broadcast on April 9 the devaluation of the drachma from 15,000 to 30,000 to the United States dollar, after three and a half years at the former rate. The drachma was similarly devalued by 100 per cent against all other foreign currencies. At the same time, a new series of trade measures were announced which will have far-reaching effects on Canadian exports. The new program awaits clarifying details but the general course of Greece's commercial policy has now been charted. These are the highlights.

On April 9, 1953, the drachma was devalued by 100 per cent to the rate of US$1=30,000 drachma. This rate will apply to all transactions concluded henceforth and also to letters of credit already opened but against which shipment has not been made. Canadian exporters who are shipping to Greece should hold further shipments until importers in Greece indicate their ability to secure dollars at twice their previous rate. New contracts may be negotiated in whatever currency desired and such contracts will receive legal validity in Greece. Greek producers and exporters, on the other hand, will be permitted to exchange foreign currency at the new rates, provided their goods have not already been placed in the hands of export merchants.

The exporting community here is naturally placed in a most favourable position. It is hoped that the new rate of exchange will mean a major expansion in Greek exports and an improvement in the balance of payments position. The Greek authorities hope that this step will make the export prices of such products as tobacco, olives, wines and dried fruits more attractive to foreign buyers.

Import Restrictions Removed

In announcing the devaluation, the Minister of Co-ordination also stated that it was the Government's intention to remove quantitative import controls on all but a few luxury items. Accordingly, new import regulations were announced on April 18 whereby Greek importers can secure import licences and available free dollars from the Bank of Greece for the import of Canadian goods of types not financed by the United States Mutual Security Agency and not in the following categories: jewellery, textiles, furs, automobiles valued over $1,800 f.o.b. factory, wheat and flour.

To Be Admitted Freely

Among the articles admitted freely under the new scheme, the following may be of interest to Canadian exporters: powdered and evaporated milk; whisky; salted cod, canned fish; animal wax; planks and boards of coniferous wood, newsprint; gasoline engines and agricultural machinery excluding parts; needles; domestic electric washing machines; passenger automobiles other than convertibles valued up to $1,800 f.o.b. factory; aluminum manufactures, and optical lenses. Exporters may obtain information on individual items from the Foreign Tariffs Division, Department of Trade and Commerce.

Tax and Subsidies Eliminated

Of equal importance is the elimination of the contribution tax on foreign exchange provided for imports of luxury or less essential goods. This tax varied according to commodity. Because it amounted to over 100 per cent of the c.i.f. value of such things as refrigerators, stoves, passenger automobiles, certain hardware, etc., the removal of the contribution system will mean that Canadian exporters will be able to offer these products in Greece at lower prices despite the new rate of exchange. Subsidies on Greek exports have also been abolished.

The Greek authorities apparently intend to control imports by the use of the new exchange rates rather than by direct import restrictions. Any increase in imports into Greece will, of course, be determined by the amount of dollars which Greece is able to earn and thus make available for purchases abroad.

—Andrew Kniewasser
Assistant Commercial Secretary for Canada

COMMODITY NOTES

BRAZIL

Rubber—Brazil probably will not have to import rubber from abroad in 1953, according to the vice-president of the Rubber Defence Commission. Between 1939 and 1952, rubber production increased 104 per cent; production in 1952 was the highest in 30 years. Production this year is expected to be even greater as a result of the Government's rubber development plan—Rio de Janeiro, April 16.

BRITISH EAST AFRICA

Cashew Nuts—Cashew nut growing in British East Africa has increased in the past six years. First introduced into East Africa by the Portuguese, the cashew flourishes in the coastal area of Tanganyika and as far inland as Tunduru. Exports from this area have increased from 1,313 tons in 1947 to 10 thousand tons in 1952.

Although the nut is primarily a luxury product, the oils extracted from the outer shell have great industrial value. At least 90 per cent of the current crop is grown by the Africans in Shambas. Significant acreages are now being planted by Europeans on a commercial basis, but this development will not reach the production stage for five years. The yield is expected to be worth £1 million a year.

In the past, the entire British East African crop has been exported to India for processing and re-export to the U.S. and European countries. However, the setting up of a processing factory at Mtwara is now being considered. Canada's imports of shelled cashew nuts for the first eleven months of 1952 totalled $1,065,610 (same period of 1951, $914,797). The supplying countries were India, the U.S. and the U.K.

There are three reliable Tanganyika exporters of cashew nuts and the Canadian Trade Commissioner in Johannesburg can supply their names and addresses to Canadian importers—Johannesburg, April 17.

CHILE

Beans—The Minister of Economy has been requested by the Price Control Committee to prohibit the export of beans to prevent increased prices on the domestic market. This prohibition comes into force immediately and only export obligations contracted before March 15 will be respected—Santiago, April 8.

SOUTH AFRICA

Canned Fruit—The British Ministry of Food has announced that larger supplies of canned apricots, peaches, pears and pineapples are expected from South Africa in 1953 and that it has undertaken to buy not less than 70 per cent of South Africa's exports of these canned fruits during the year. Shipments will be made throughout 1953 as the canned products become available. During 1952 approximately 500 thousand cases containing some 15·5 million tins of apricots, peaches, pears, pineapples and grapefruit were shipped to Britain from South Africa—Johannesburg, April 7.

SWEDEN

Debarking Machine—A Swedish firm recently began to manufacture a bark remover. This machine stands on wheels, is electrically driven by two completely enclosed motors, and is assembled in a frame construction. It is entirely automatic and debarks 2,200 trunks in a 10½-hour day. The yearly capacity is 330 thousand trunks when it is effectively operated for 150 days with five men serving it. The machine weighs about three tons and develops 16 h.p. It is capable of debarking logs with diameters of from 2 - 12 inches. The debarking instrument is a counter-balanced drum of cast steel with three steel cutting blades so shaped that they are automatically opened by the log and by centrifugal force successively. They are reported to scale off the bark without any appreciable loss of wood—Stockholm, April 10.

UNITED STATES

Magnesium—Output of magnesium in the U.S. in 1952 was more than double the production in 1951, according to a statement issued by the Magnesium Association. In 1952 the output totalled 105,833 tons, compared with 40,881 tons in 1951. During the fourth quarter of last year, production amounted to 27,436 tons, compared with 27,722 in the third quarter and 18,080 tons in the fourth quarter of 1951—Washington, April 10.

WEST GERMANY

Leatherware—In 1952 West German exports of leatherware achieved a value of 27·5 million D marks as compared with 2·1 million reichsmarks in 1947, when the German leatherware industry made its first attempt to re-enter world markets. The main customers are Switzerland, with 5·55 million D marks, and the United States, with 5·23 million D marks. Next in order come Sweden, Belgium and the Netherlands. According to the industry, exports to the U.S., which increased by 120 per cent last year, can still be considerably enlarged. Bigger deliveries to Canada are expected to result from intensive German participation in the Canadian International Trade Fair. In the South American market, possibilities are reported to be comparatively poor—Bonn, April 21.

United Kingdom

Imports of Cereals, Flour, Feedstuffs

With trade in these commodities returning to private hands shortly, the U.K. Government is announcing future procedures for these imports.

LONDON—Decontrol in the United Kingdom recently progressed further with the announcement of plans for the import by private traders of cereals, flour, animal feedstuffs and some related organic fertilizers. Previously, these products were imported only on government account.

On April 15, 1953, the Government announced that applications for Open Individual Licences would be considered for the two periods May 1 to December 31, 1953, and January 1 to June 30, 1954. In future licences will be issued up to six months in advance and will be valid for six months. The commodities which are now returned to private trade are:

GROUP I

Wheat and Flour

Wheat in grain (including seed).
Wheat meal and flour (including semolina).

GROUP II

Feed Grains (including seed)

Barley in grain.
Oats in grain.
Maize in grain.
Maize meal and maize gluten.
Sorghums (including milo, dari, durra, kaffir corn and guinea maize).
Bran, pollards, sharps and middlings.

GROUP III

Miscellaneous Animal Feedstuffs and Fertilizers Part (A)

Rice bran, rice meal and cargo-broken rice.
Oilseed cake and meal of the following:
  Cottonseed (undecorticated and other)
  Groundnut
  Linseed
  Rapeseed
  Soya bean
  Sunflower
Other descriptions of oilseed cake and meal.

Cassava (or tapioca) root, (including cassava, tapioca, manioc or mandioca meal and tapioca ampas).

Locust beans, whole, kibbled or mealed.

Part (B)

Meals:

- Meat
- Meat and bone
- Whale-meat
- Whale-meat and bone
- Liver (including whale-liver meal)
- Fish.

Open Individual Licences will be issued for each of these groups, with the fertilizers in Part (B) of Group III considered separately. In addition, the licences issued for the scheduled territories will be separate from those of other countries. Canada is included in the latter category.

Making Returns

To safeguard the exchange position, each holder of an Open Individual Licence will be required to make returns (including NIL returns) weekly to the Ministry of Food for cereals, animal feedstuffs and seeds for sowing, and monthly to the Ministry of Materials for fertilizers. However, every effort will be made to ensure continuity of trading. If it should be necessary to revoke the current Open Individual Licences from "other countries" (which may be done at any time for balance of payments reasons) arrangements would be made "to issue specific licences covering *bona fide* commitments already entered into and essential imports which may be approved in addition. In such circumstances, forward trading would normally continue against licences for the subsequent six-monthly period".

The new arrangements do not alter those already existing for the import of cereals, cereal products, pulses and animal feedstuffs which are now, up to May 1, being imported on private account. Import applications for other cereals and animal feedstuffs not at present being brought in on private account, and not included in the new list—e.g., alfalfa meal—will be considered individually by the Board of Trade.

This forward step in decontrol opens up a considerable trade in the field of animal feedstuffs for imports both from sterling and non-sterling areas. However, it seems likely that imports from dollar areas will only be looked on with favour if their prices are advantageous, compared with the prices of similar sterling area products.

The inclusion of flour with wheat-in-grain would indicate that the Canadian flour exporters will now have to compete with the British milled product. It will thus be necessary for them to have active representation in the United Kingdom if they are to maintain their exports to this country at the level of the past few years.

—D. A. Bruce Marshall
Commercial Secretary for Canada (Agricultural)

France Reduces Imports

The mounting deficit with EPU in the last few months has forced France to limit imports of foodstuffs and some industrial raw materials from countries within the EPU area.

PARIS—The French Government has just announced cuts in the imports of foodstuffs and certain industrial raw materials from the countries making up the European Payments Union. These measures were not unexpected in the light of France's mounting deficit with the Union over the past few months. Because her credit with the Union has been exhausted, these deficits must be met entirely in gold or dollars. The French deficit with the Union in January was $11 million, in February $31 million, and in March $19 million.

Imports from the EPU area for the period April to September will be cut by the equivalent of $14 million a month, compared with the last six-month averages. During the last six months, imports from the area averaged $130 million a month, so that the cut is about 11 per cent. Before the United Kingdom announced some relaxation in the restrictions on imports into the U.K. and allocations of exchange to tourists, the French had contemplated a cut of about 13 per cent in their imports. But because these British concessions are estimated to enable France to earn an extra billion francs (about $2,860,000) a month, it was decided to impose a lower cutback in imports into France from the EPU area.

Apply to EPU Only

The reductions are to be applied to the EPU area only. There will be no direct effect on imports from Canada, which are already cut to essentials and limited by the shortage of dollars. However, this does emphasize the difficult position of French trade and precludes hope of more liberal treatment of imports from any area in the near future. The reductions will not be undertaken by any new regulations or formal restrictions, but by administrative control through the reduction in the issue of import permits on certain categories of imports.

Foodstuff imports from EPU countries will be reduced by $5 million a month. Items affected are meat, butter and eggs. A normal seasonal decline in imports for the period covered, and an improved outlook for domestic production, lessen possible adverse effects on the French economy.

Raw Materials Affected

Imports of raw materials from countries of the EPU are to be reduced by $9 million a month for the period April to September. Reductions will apply to coal, tar, wood pulp, sulphur, pyrites, wood, cork and cotton imports. In many categories of industrial raw materials, substantial

quantities are imported from non-EPU countries. Given the forecast of slightly lower industrial activity (see *Foreign Trade* of April 4, 1953) and the slightly lower scale of imports that is usual during the spring and summer, it is not likely that the French industry will be seriously embarrassed by this restriction in supplies from the EPU area. On the other hand, the restriction will be felt by those EPU countries which normally supply these products to France, though in the circumstances it is probable that there would have been some reduction of shipments even without official action.

—R. G. C. SMITH
Commercial Counsellor for Canada

TRADE COMMISSIONERS ON TOUR

TO familiarize themselves with conditions in this country and the special requirements of businessmen, Canadian Trade Commissioners return to Canada periodically. Exporters and importers are invited to discuss with the Trade Commissioner the markets and sources of supply in his territory.

C. M. Croft, Commercial Counsellor for Canada in Sydney, Australia, begins a tour of Canada in Vancouver on May 8. His itinerary follows:

Vancouver—May 8-15
Ottawa—May 24-30
Toronto—June 5-17
St. Catharines—June 18-19
Hamilton—June 20-23
Windsor—June 24-25

M. T. Stewart, Commercial Counsellor for Canada in Mexico City, begins the second part of his Canadian tour in Windsor and Walkerville on May 4. His itinerary will be:

Windsor-Walkerville—May 4
Chatham—May 5
Sarnia—May 6
London—May 7
Kitchener—May 8
Preston-Guelph—May 9
Brantford—May 11
Welland—May 12
St. Catharines—May 13
Hamilton—May 14-15
Ottawa—May 18-22
Toronto—May 25-June 6
Montreal—June 8-20
Quebec—June 22
Saint John—June 25-26
Halifax—June 29-30

Businessmen may get in touch with these officers through the Board of Trade in Chatham, Guelph, Montreal, Quebec, Saint John and Halifax; the Chamber of Commerce in Windsor, Sarnia, London, Kitchener, Preston, Brantford, Welland, St. Catharines and Hamilton; the Canadian Manufacturers Association in Toronto, and the Department of Trade and Commerce in Ottawa and Vancouver (355 Burrard St.).

TRADE AND TARIFF REGULATIONS

BELGIUM

Import Restrictions Modified—Various commodities may be imported into Belgium and Luxembourg without an import licence effective March 10. Among these, the following may be of interest to Canadian exporters: raw tobacco; planks and boards of coniferous woods; copper gauze, netting and domestic utensils; anodes for nickel-plating; metal lamps; transformers, and static converters. Since February 1, all these enumerated goods were placed upon a list of imports admitted as freely from the dollar area as from any other source. As a result of the present measure, therefore, they may enter Belgium from Canada and from any other country entirely free from government restrictions.

On the other hand, lignite and toilet soap have been made subject to import licences beginning March 10—Brussels, April 24.

Exporters may obtain information on individual items freed from import licence from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Certificates of Origin—Caustic potash and potassium carbonate may be imported into Belgium only if accompanied by a certificate of origin issued by a Belgian diplomatic or consular agent—Brussels, April 10.

Recipients of the leaflet "Belgium—Shipping Documents and Customs Regulations", compiled by the International Trade Relations Branch, should note this provision on page one of their leaflet—Editor.

BRITISH GUIANA

Pure Lard—The Controller of Supplies and Prices, British Guiana, advised importers on March 20 that quotas for the second half year, 1953, have been established for the importation of pure lard from Canada and the United States, and applications for import licences will be received immediately.

EGYPT

Import Control on Publications Relaxed—All books, periodicals, newspapers and pamphlets will be exempt from import controls, according to an official announcement of March 4—Cairo, April 20.

LEBANON

Duty Imposed on Wheat Flour—The Lebanese Government has imposed a customs duty of 2 piastres per net kilo on imports of wheat flour from all countries except Syria. Converting at the free rate of

exchange, this duty would be the equivalent to approximately 24·6 cents per 100 pounds in terms of Canadian currency. Formerly wheat flour entered Lebanon free of duty from all countries.

The imposition of this duty on wheat flour was stated to be the result of pressure on the Government by local flour millers, and the economic talks which have been concluded recently between the Government of Lebanon and Syria.

NETHERLANDS

Customs Duty on Advertising Matter—The Netherlands customs authorities are now collecting customs duty on advertising matter which until recently entered duty-free. Under the new regulations, if the value of the material is not stated by the consignee it will be estimated by the customs. Advertising printed matter contained in parcels weighing less than one kilogram (about 2·2 pounds), however, will continue to be admitted free of import duty—The Hague, April 22.

Recipients of the leaflet "Netherlands—Shipping Documents and Customs Regulations", compiled by the International Trade Relations Branch, should amend the section on advertising matter on page 5 of their leaflet accordingly—Editor.

UNITED STATES

Imports of Sheep and Goats—The following notice with reference to sheep and goats was published in the United States *Federal Register* of April 8, 1953:

"(*a*) Sheep and goats offered for importation from Canada shall be accompanied by a certificate issued or endorsed by a salaried veterinarian of the Canadian Government stating:

(1) that such animals have been inspected on the premises of origin and found free of evidence of the disease known as scrapie, and of any other communicable disease;

(2) that, as far as it has been possible to determine, such animals have not been exposed to any such disease during the preceding 60 days;

(3) that, as far as can be determined, the disease known as scrapie has not existed in any country or local municipality in which such sheep or goats were located during the three years immediately prior to shipments to the United States; and

(4) that each of such animals is not the progeny of a sire or dam that has been affected with scrapie.

(*b*) If sheep or goats are unaccompanied by the certificate required by paragraph (*a*) of this section, or if they are found upon inspection at the port of entry to be affected with a communicable disease or to have been exposed thereto, they shall be refused entry and shall be handled thereafter in accordance with the provisions of section 8 of the act of August 30, 1890, or quarantined, or otherwise disposed of as the Chief of Bureau may direct."

Section 8 of the Act of 1890 sets forth the power of the Secretary of Agriculture to destroy infected animals—Editor.

Department of Trade and Commerce

HEAD OFFICE DIRECTORY

This directory is intended as a useful reference for the business man who wishes to consult head office personnel on particular problems. Correspondence should be addressed to the heads of branches or divisions. Local government telephone numbers follow each name. (In Ottawa dial 9, followed by the local; when calling from out of town call the Government, 2-8211, and ask for the local only.)

No. 1 Building, 375 Wellington Street*

	Gov. Local
Minister: The Rt. Hon. C. D. Howe, P.C., M.P.	3693
Parliamentary Assistant: G. J. McIlraith, M.P.	7042
Deputy Minister: Wm. Frederick Bull	6748-2326
Executive Assistant: H. A. Gilbert	2380
Trade Policy Adviser: H. R. Kemp	5151
Associate Deputy Minister: M. W. Sharp	2888-5838
Economic Adviser: O. J. Firestone	4176
Assistant Deputy Minister: Oliver Master	2421
Comptroller-Secretary: Finlay Sim	2262

ECONOMICS DIVISION

Director: V. J. Macklin	5658

TRADE COMMISSIONER SERVICE

Director: J. H. English	2530
Assistant Director: H. W. Cheney	3058
Assistant Director: L. H. Ausman	6800
Area Trade Officers	
Asia and Middle East: J. P. Manion	8286
Commonwealth: A. B. Brodie	2144
Europe: K. Nyenhuis	0436
Latin America: A. Savard	7641

Western Representative: H. L. E. Priestman, 355 Burrard St., Vancouver.

Newfoundland Representative: Stott Bldg., St. John's, Newfoundland.

COMMODITIES BRANCH

Director: Denis Harvey	5417
Special Assistant: A. L. Neal	8269
Administrative Assistant: J. G. MacKinnon	6905

Export Division

Director: H. B. Scully (Acting)	6519
B.W.I. Trade Liberalization Plan: J. G. MacKinnon	6905-5670
Token Shipments to United Kingdom: A. E. Fortington	5680

Import Division

Director: C. F. McGinnis	7163
Export Controls in Other Countries: W. G. Hopkins	6552

Transportation and Communications Division

Director: G. S. Hall	6236
Assistant: H. A. Hadskis	2737
Traffic Section: J. H. Longfellow	7835

* Unless otherwise noted, all offices of the Department are in No. 1 Building.

Export and Import Permit Division

Chief: T. G. Hills	3640
Processing Officers:	
Food, Steel, Non-Ferrous Metals, All Strategic Materials: S. C. Cooke	6976
Textiles, Lumber and Products: K. A. Peaker	5508
Chemicals, Leather, Automobiles and Trucks and Parts: D. Alger	6963

Commodity Sections

(Export and Import)

Automotive, Agricultural and Construction Equipment	
Chief: H. B. Scully	6519
Automotive and Self-Propelled Construction Equipment: H. B. Scully	6519
Agricultural Machinery and Implements: G. C. Clarke	3873
Chemicals, Oils and Minerals	
Chief: S. G. Barkley	7601
Chemicals and Allied Products: S. G. Barkley	7601
Oils and Fats: R. T. Elworthy	5177
Non-Metallic Minerals: E. J. Bonkoff	5823
General Products	
Acting Chief: P. G. Jones	4160
Toys, Recreational Products, Musical Instruments: P. G. Jones	4160
Electrical Appliances, Sewing Machines: W. H. Grant	3209
Office, Hospital, Radio and Store Equipment: D. G. W. Douglas	6197
Handicrafts, Photographic Equipment, Jewellery: P. E. Jensen	5337
Plumbing, Heating and Hardware Products: G. W. Rahm	6958
Imported Foods	
E. B. Paget	4161
Machinery, Metals and Electrical Equipment	
Chief: E. C. Thorne	4082
Assistant to Chief: A. A. Dejausserand	5207
Non-Ferrous Metals: A. Tedford	5159
Miscellaneous Capital Goods: J. D. Moorman	7546
Textiles, Leather and Rubber	
Chief: G. R. Poley	3004
Fabrics: G. R. Poley	3004
Wearing Apparel: E. G. Gerridzen	5378
Fibres and Products: A. C. Fairweather	7815
Leather and Rubber Products: F. T. Carten	0518
Wood and Wood Products	
Chief: G. H. Rochester	0273
Lumber and Manufactured Wood Products: J. C. Dunn	4863
Logs and Lumber Products: R. Bonnar	5127
Paper, Pulp and Pulpwood: M. N. Murphy	5811

Export and Import Directories

Chief: G. L. Tighe	6681

AGRICULTURE AND FISHERIES BRANCH

Director: G. R. Paterson	4301
Assistant Director: W. B. McCullough	3980
Agricultural Products	
Plants and Plant Products: G. F. Clingan	7523
Livestock, Dairy and Poultry Products: K. L. Melvin	3172
Animal Products: A. J. Stanton	5859
Fish and Fish Products: T. R. Kinsella	7385

Grain Division

Chief: G. N. Vogel	5830-5648
R. M. Esdale	5830-5648

INTERNATIONAL TRADE RELATIONS BRANCH

Director: C. M. Isbister	2250-4042
B. G. Barrow	2250
European and Latin American Area	
M. Schwarzmann	7594
F. P. Weiser	5642
A. M. Baldwin	8727
R. E. Latimer	8727
Sterling Area	
H. K. Potter	8469
E. J. McMeekin	8727
R. B. Nickson	7594
United States Area	
B. S. Shapiro	8469
B. O'Neill	8469

INFORMATION BRANCH

Director: H. Leslie Brown	2479-6394
Assistant Director: J. Fergus Grant	2186
Editor: Foreign Trade and Commerce Exterieur: Miss O. Mary Hill	6588
Advertising: Roy A. Abrahamson	6435

TRANSLATION BRANCH

Chief: J. C. Letellier de St-Just	2760
M. Roy	2760

INDUSTRIAL DEVELOPMENT DIVISION

Director: G. D. Mallory	3819
Assistant Director: B. R. Hayden	7886
Technical Officer: W. J. Moloughney	5909

CANADIAN GOVERNMENT EXHIBITION COMMISSION

479 Bank St.

Director: Glen Bannerman	3558
Assistant Director: F. P. Cosgrove	7818

EXPORT CREDITS INSURANCE CORPORATION

Birks Bldg., 107 Sparks St.

General Manager: H. T. Aitken	2-4828
Chief Credit Officer: A. W. Thomas	2-4828
Secretary: T. Chase-Casgrain	2-4828

DOMINION BUREAU OF STATISTICS

Parkdale Ave.

Dominion Statistician: Herbert Marshall	6371-2529
Assistant Dominion Statistician: J. T. Marshall	7695
Agriculture Division	
Director: C. V. Parker	4774
Census Division	
Director: O. A. Lemieux	2088
Education Division	5933
Information Services Division	7544
Canada Year Book and Canada Hand Book	
Director: J. E. Robbins	
Health and Welfare Division	
Director: F. F. Harris	6651
Industry and Merchandising Division	
Director: W. H. Losee	2125
International Trade Division	
Director: C. D. Blyth	8340
Labour and Prices Division	
Director: H. F. Greenway	7424
Public Finance and Transportation Division	
Director: J. H. Lowther	5396
Research and Development Division	
Director: S. A. Goldberg	3071
Special Surveys Division	
Director: A. B. McMorran	5570

STANDARDS BRANCH

West Block, Wellington St.

Director: R. W. MacLean	2132
Assistant Director (Electricity and Gas): E. F. Power	2956
Assistant Director (Weights and Measures): C. S. Phillips	2000
Assistant Director (Precious Metals Markings): W. L. Berry	7075

INTERNATIONAL ECONOMIC AND TECHNICAL CO-OPERATION DIVISION ("COLOMBO PLAN")

No. 4 Building, Lyon St.

Administrator: Nik Cavell	8495
Assistant Administrator: R. W. Rosenthal	8429
Technical Co-operation Service	
Chief: J. A. Macdonald	5542
Assistant Chief: J. T. Hobart	8662

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalents multiply by 1·01523.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. April 23*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1313	
		Basic buying	·1970	(1)
		Preferential selling	·1970	
		Basic selling	·1313	
		Free	·0709	
Austria	Schilling		·04611	
Australia	Pound		2·2205	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01972	
Bolivia	Boliviano	Official	·01642	tax 5% (1)
		Differential	·00980	tax 3% (2)
British West Indies	Dollar		·5783	(3)
	Pound		2·7756	(4)
	Dollar	Brit. Honduras	·6939	
Brazil	Cruzeiro	Official	·05324	tax 8% (2)
		Free	·02202	
Burma	Kyat		·2082	
Ceylon	Rupee		·2082	
Chile	Peso	Official	·03172	(1)
		Commercial	·01640	
		Free	·00895	
Colombia	Peso	Basic	·3940	tax 3% (2)
		Coffee buying	·4249	
Costa Rica	Colon	Official	·1758	(5)
		Free	·1484	*March 16
Cuba	Peso		·9850	tax 2%
Czechoslovakia	Koruna		·01970	
Denmark	Krone		·1426	
Dominican Republic	Peso		·9850	
Ecuador	Sucre	Official	·06567	(6)
		Free	·05700	
Egypt	Pound		2·8285	
Fiji	Pound		2·5006	
Finland	Markka		·00428	
France	Franc		·00282	
French Africa	Franc		·00563	
French Pacific	Franc		·01549	
Germany	D Mark		·2345	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9850	
Haiti	Gourde		·1970	
Honduras	Lempira		·4925	
Hong Kong	Dollar	Free	·1652	*April 10
Iceland	Krona	Official	·06048	
		Special buying	·04659	
		Special selling	·03771	
India	Rupee		·2082	
Indonesia	Rupiah	Basic	·08640	(7)
		Dollar certificate	·00186	*March 16

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. April 23	Notes (See below)
Iran	Rial	Certificate I	·01079	*March 11
		Certificate II	·01079	*March 11
Iraq	Dinar		2·7756	
Ireland	Pound		2·7756	
Israel	Pound	Basic	2·7580	
		Special	1·3790	
		Investment	·9850	
Italy	Lira		·00158	
Japan	Yen		·00274	
Lebanon	Pound	Free	·2751	
Mexico	Peso		·1139	
Netherlands	Guilder		·2592	
Netherlands Antilles	Guilder		·5223	
New Zealand	Pound		2·7756	
Nicaragua	Cordoba	Effective buying	·1492	(8)
		Official Selling	·1397	
		With Surcharge I	·1223	
		With Surcharge II	·0980	
Norway	Krone		·1379	
Pakistan	Rupee		·2977	
Panama	Balboa		·9850	
Paraguay	Guarani	Basic	·06567	(1)
		With Surcharge I	·04690	(9)
		With Surcharge II	·03283	
Peru	Sol	Certificate	·06168	
Philippines	Peso		·4925	tax 17% (2)
Portugal	Escudo		·03435	
El Salvador	Colon		·3940	
Singapore & Malaya	Straits dollar		·3238	
South Africa (Union of)	Pound		2·7756	
Spain & Dependencies	Peseta	Basic buying	·04498	
		Basic selling	·08778	(1)
		Basic commercial selling	·05996	
		Free	·02500	
Sweden	Krona		·1904	
Switzerland	Franc		·2298	
Syria	Pound	Free	·2659	*March 16
Thailand	Baht	Official	·07880	(1)
		Free	·05850	*Feb. 27
Turkey	Lira		·3518	
United Kingdom	Pound		2·7756	
United States	Dollar		·9850	
Uruguay	Peso	Official	·6485	
		Basic buying	·5533	
		Special buying	·4191	(1)
		Basic selling	·5184	
		Special selling	·4020	
Venezuela	Bolivar		·2940	(10)
Yugoslavia	Dinar		·00328	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective rate for all Indonesian dollar exports is basic rate plus 70 per cent of dollar certificate rate. Exchange rate for other than essential imports is basic rate plus 33⅓ per cent, 100 per cent or 200 per cent, depending on the import category of the product. Cost of dollar imports is increased by full amount of dollar certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to all Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

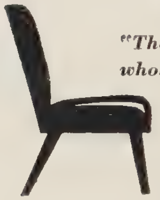
For additional explanatory notes see *Foreign Trade* of October 11, 1952.

AT THE

TRADE FAIR

THERE'S A PLACE FOR THE

retailer, T



"The Trade Fair is for retailers, too. Althou wholesalers and agents do most of the buyin their choice is determined by the dema existing among retailers. We have fou the Trade Fair very profitable to atten

Buyer's Report—General Merchant of Cana

24,529 business visitors came to see—and many to buy—the world's newest merchandise shown at the last Trade Fair by 1272 exhibitors from 29 countries.

The 1953 Trade Fair promises to be even more a mecca for buyers.

That's why we urge you to finalize your plans to attend.

There is no easier or more economical way to preview the latest goods that Canada and the world have to offer.

IMPORTANT—*write now for room reservations to: The Administrator, Canadian International Trade Fair, Exhibition Park, Toronto 2-B, Ontario.*

Sixth

CANADIAN International TRADE FAI

TORONTO, JUNE, 1-12 19

OPERATED BY THE GOVERNMENT OF CANADA TO PROMOTE YOUR B

foreign trade

May 9, 1953

Chile and Its Economic Problems (page 2)

VOL. 13 OTTAWA, MAY 9, 1953 NO. 332

foreign trade

OVER . . . Nitrates turned
t in plants like this one are
e basis of one of Chile's
ajor industries. Despite plans
r strengthening the economy,
flation and high costs are
lding up industrial develop-
ent. The steps Chile is taking
overcome these difficulties
e discussed in an article on
ge two.
—Photo by Universidad de
Chile

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

Chile and Its Economic Problems

Long-term development plans are moving forward slowly, but inflation and high costs are slowing down the rate of progress.

SANTIAGO—Though the new Chilean Government has as its objective long-term economic development, with the aid of foreign capital, it must first deal with some immediate and pressing problems.

Inflation continues to cause serious capital losses in industry and measures for dealing with it have not advanced beyond the discussion stage. High costs over the past two years have aggravated the situation; salaries and wages have been readjusted without any corresponding increase in production. Government expenditure has increased appreciably and at present 42 per cent of the budget goes toward public works and social services.

The seriousness of the situation has led the Government to form a State Bank. This bank will take anti-inflationary measures through direct control over all investments of government institutions. The extent to which Chile has been affected by inflation is shown by a value of currency index which, taking December 1949 as 100, had increased to 194 in October 1952. This is said to be the greatest known increase, certainly in South America, with the possible exception of Paraguay.

Costs Continue to Soar

The domestic budget, the largest in Chile's history, is 65 per cent higher than in 1952 although it is only 16 per cent above the actual expenditure during that year. There is some evidence of an attempt by the Government to reduce administrative costs but, on the whole, it has had little success in stemming inflation. Salaries and costs have continued to rise and production is continuously hampered by serious labour disputes. Last year stoppages are estimated to have reduced output by 25 per cent.

The authorities recognize that the Foreign Exchange Budget is one of the most important means of helping the country attain the necessary economic equilibrium. This year, the administration will probably attempt to reduce imports and foreign expenditure wherever feasible and, at the same time, encourage credits from international financial institutions and from foreign suppliers.

The Government's program also calls for an expansion of production, particularly in agriculture and mining. This will involve considerable capital expenditure on imported machinery and equipment. Specific loans amounting to almost $50 million have been requested from the Export-Import Bank for the development of the mining industry. A loan of $20 million has been obtained from the International Bank to construct a cellulose and newsprint plant. The Development Corporation is continuing its policy of importing farm machinery, with payment to the manufacturer spread over two years.

Copper is still the basis of Chile's foreign exchange budget and the President has been given special power to control the purchase price—last year copper earned for the country approximately $65 million. This is one of the world's greatest copper properties at Chuquicamata.

Chile's minimum exchange requirements for this year are estimated at $470 million in the Foreign Exchange Budget, and this exceeds potential exchange revenue by almost $100 million. Last year Chile's imports totalled $447 million and, in spite of the favourable developments in the copper market and an overall favourable balance on trading account, the year closed with a deficit of $70 million.

Copper Revenue Up

Copper remains the basis of the Foreign Exchange Budget and this year's income estimates allow for an increased production of copper over last year's high of 380 thousand tons. Special powers given to the new President include control of the purchase price of copper. Thus, even if the world price falls, it may be possible for the Chilean Government to maintain its profit from the price differential between the cost and the selling price simply by reducing the price paid to the mining companies. The Central Bank will continue to represent the Government in copper transactions. Last year these transactions earned, because of the extra price benefit, approximately $65 million.

Certain other developments give cause for optimism. The general index of industrial production increased from 193·4 in 1951 to 214·3 in 1952, (1936-38=100). The principal increases were in steel production and electric power; building construction decreased.

The efforts to become self-sufficient through industrialization are continuing and outside capital is being encouraged. For example, Italian companies have expressed an interest in the establishment of a chemical plant and are also considering the manufacture of medium tractors. A penicillin plant under the auspices of the World Health Organization has

73501—1½

been installed; a modern gypsum plant using German machinery is now producing; Parke Davis & Co. are considering the manufacture of chloromycetin. The Government is also expanding its state-controlled industries and is studying the possibilities of the chemical industry, the aeronautical industry and, under the auspices of FAO, intends to construct a modern mechanized bakery.

The Development Corporation is continuing to consolidate industry and review new projects. The steel industry has been put on a comparatively sound footing, electrification plans are continuing, and extensive development is taking place in the oil fields of Magallanes. The Corporation is in touch with German chemists over the setting-up of an industrial chemical industry in the north on the basis of extractive products from nitrate, sulphur and other minerals. It has also been suggested that the Corporation form a company in the extreme south of Chile to make by-products from the sheep-farming industry.

Mineral Production

The Index of Production of the large mining companies showed a slight reduction from 113·4 to 111·6 in 1952. The basic index of 100 is for the years 1936-1938; the increase is thus only 12 per cent over fourteen years. Some individual metals showed reductions in the past year, as the table shows.

PRODUCTION	1951	1952
Nitrate	1,684,807 gross tons	1,427,817 gross tons
Iodine	1,298,482 " "	818,336 " "
Coal	2,211,295 " "	2,416,894 " "
Copper	397,726 " "	404,742 " "
Iron	1,952,580 " "	1,392,528 " "
Gold	5,401 fine kilos	5,475 fine kilos
Silver	30,590 " "	38,766 " "

Agriculture

The mechanization of agriculture, with the assistance of the Development Corporation, has continued and the area sown to wheat, barley, oats and rice is materially greater than last year. The following figures show the important increases under most headings. The improvement is due, in most cases, to better yields because of satisfactory weather rather than to a larger area planted.

Annual Harvests

(in tons)

PRODUCTION	1951	1952
Wheat	972,630	987,936
Barley	90,351	125,273
Oats	87,512	109,620
Beans	61,886	64,220
Maize	70,989	89,424
Potatoes	424,235	472,818
Peas	14,499	13,944
Chick-peas	3,405	3,924
Lentils	11,521	16,256
Rice	40,280	80,018
Sunflowers	68,105	64,886
Hemp seed	3,264	4,035
Hemp fibre	3,651	4,414
Flax seed	4,337	4,358
Flax fibre	904	1,036

The Government intends to encourage agricultural production by granting long-term credits instead of the present 90-day credits usually accorded by the commercial banks. A subsidy of 50 per cent of the value

of fertilizers has been authorized but neither the national production nor imports have been able to supply the demand. Irrigation projects have been to the fore and in particular, plans are being prepared for the irrigation of 600 hectares in the vicinity of Santiago, the cost to be repaid over a period of years by those receiving the benefit. Experiments in irrigation by sprinkling have also been carried out; the cost of this is low compared with the cost of irrigation works.

External trade has continued to expand and exports reached a total of 2,206·4 million gold pesos against 1,802·6 million in 1951. (The gold peso is worth approximately 21 cents.) Imports, at 1,795·1 million gold pesos, were somewhat higher than the 1,593·4 million in 1951. The breakdown for 1952 is not yet available but the United States continued to be the principal customer and source of supply, with the United Kingdom in second place, with just under one-fifth of the U.S. total. Argentina occupied third place and Germany fourth.

The continuance of a favourable trade balance will doubtless be ensured by strict controls and the extent to which these may be relaxed during the year depends largely on continued satisfactory copper prices.

Canada's Trade with Chile

According to Canadian statistics, the value of exports to Chile in 1952 was Can.$10,089,000, as compared with Can.$13,751,000 in 1951. The 1952 total included wheat exports to a value of Can.$3,815,000 and seven aircraft to a total value of Can.$238 thousand. Exports of newsprint, wood pulp, agricultural machinery, asbestos fibre, soda and sodium compounds and electric meters held up well; so did automotive tires and washing machines, within the limits of restrictions.

Imports into Chile now are being restricted to raw materials for industry and indispensable goods, and this situation is likely to continue throughout the year. Import permits are required for all goods. Canadian exporters should take great care to see that import permits are in order and, except for valuable business with first-class firms, should insist upon letters of credit.

Imports into Canada from Chile totalled Can.$3,282,000 in 1952, compared with Can.$2,153,000 in 1951 and consisted principally of ores, wool, fresh fruits, onions and nitrate.

During 1952 Chile signed bilateral trade agreements with France, Cuba, Argentina, Italy, Greece, Spain, Sweden, Brazil, Ecuador, Western Germany, Mexico and Colombia. In addition, conversations took place with the Netherlands Government and with the Hungarian Trade Mission. The visit of the Argentine President was the occasion for high-level discussions on the possibilities of an economic and customs union between Argentina and Chile.

Despite all these favourable factors, Chile still must make headway against many difficulties. The conclusion of the recent United Nations report on conditions there emphasizes the need for the authorities to take direct action on conditions which are aggravating the economic ills. The report said in part: "It is our considered opinion that, unless the inflationary process is arrested, the distortion to which the country's economy has been subjected will grow worse and will constitute a most serious obstacle to the execution of any program of development".

—M. R. M. Dale
Commercial Secretary for Canada

Canada's Trade with the South

A canvass of principal carriers between Canada and the Southern States, carried out by the New Orleans office, yielded interesting data on our trade with this region.

NEW ORLEANS—Most of the Canadian products imported into the Southern States are shipped by rail. They therefore lose their statistical identity at the time of crossing the Canadian border and there is no way of determining from national figures the products or quantities which actually reach the South.

True, a few commodities such as newsprint and gypsum rock go directly by ship to Southern ports. But apart from such items, Canadian imports into the Southern States can be identified only by consulting railway officials and local importers. This office therefore made a canvass of the principal carriers between Canada and the Southern States.

The resulting lists of commodities given below show the major Canadian goods now being received in the Southern States. Certain goods shipped by express or truck may have escaped identification, but in general the list comprises the bulk of the commodities of Canadian origin now being imported, and also the main exports from the Southern States to Canada. (This latter information was also gained from a canvass.)

WHAT CANADA SELLS TO THE SOUTH

Wood and Wood Products

Lumber (softwoods and hardwoods); veneers and plywoods; paper and newsprint, paper products, wood pulp, pulpboard; shingles; Christmas trees; barrels.

Softwoods from British Columbia and Alberta are now being imported by rail into every Southern state. Hardwoods (birch and maple), hardwood veneers and plywood from Ontario and Quebec are moving as far as rail rates will permit, which is largely to the perimeter states of the South. Newsprint and paper come down either by water or by rail and are widely distributed. Christmas trees move into every state in the South from either the Maritimes or the Pacific Coast. Shingles have a limited market in such states as Texas.

Agricultural Products

Apples, potatoes, rutabagas, miscellaneous vegetables, canned foods, eggs, hay, oats, beet pulp, grain, grain screenings, whisky.

Apples from British Columbia have a widespread distribution in the Southern States and nearly all are of the Delicious variety. Potatoes from the Maritimes and rutabagas and turnips from Ontario have a steady

and far-reaching market. The sale of grain products is also well distributed. Certain brands of Canadian whisky are, of course, widely known and well thought of in the Southern States.

There are occasional sales of eggs, but no steady market seems to have developed in the South, where grades are somewhat lower than in Canada.

Fisheries Products

Fresh fish, fresh frozen fillets of cod and related species, canned salmon, canned sardines, fish meal.

The sale of Canadian canned fish in the Southern States is still on a modest scale although considerable quantities of Canadian salmon are supplied under U.S. brokers' labels. There seems to be an opportunity to expand the sale of fresh frozen fillets, because refrigeration facilities in the South are increasing. There are occasional sales of fish meal, depending on price.

Chemical and Mineral Products

Asbestos—short, fibres, waste; salt cake; fertilizer (cyanamide and ammonium nitrate); chemicals, various; firebrick; latex, rubber; scrap and waste material; insulation, roofing; barytes, gypsum (crude).

Asbestos products are widely sold in this area and fertilizer is entering a number of states. Canadian firebrick is being used in one or two states. Crude gypsum is imported heavily from Nova Scotia in summer months.

Metal and Metal Products

Lead, aluminum, agricultural machinery and implements. Canadian agricultural implements are sold throughout the South.

Miscellaneous

Furniture, bagging, vehicles, boats, pulp mill liquid.

WHAT CANADA BUYS FROM THE SOUTH

Wood and Wood Products

Lumber, resin, flooring, boxes, box lumber, turpentine, wallboard, wood flour, pine oil, wooden handles, billets, pulpboard, paper bags, newspaper cores, miscellaneous wood products, paper for plasterboard, poles.

Agricultural Products

Grapefruit, citrus products, watermelons, potatoes, celery, tomatoes, cucumbers, shallots, onions, yams, spinach, cabbage, carrots, canned goods, rice, molasses, soybean oil, cotton, cotton linters, cotton bagging, twine, burlap.

Fisheries Products

Oyster shell, oysters, shrimp, canned shrimp.

Chemical and Mineral Products

Clay, carbon black, bauxite, phosphatic clay, fuller's earth, chemicals, phosphate rock, petroleum and its products, dispersant gas, synthetic rubber, anti-knock additives, naval stores, insecticides, sulphur, tires, coal, coke, corkboard, stone grit.

Metals and Metal Products

Cast iron pipe, scrap iron, iron, machinery, agricultural machinery, road-making machinery, hay presses, farm tractors, portable sawmills, gas stoves, gas containers.

Reports have already appeared in *Foreign Trade* about certain imports from Canada, such as softwoods, hardwoods, canned fish and potatoes. Further reports will, from time to time, cover other goods in this general list. Canadian firms interested in receiving details, such as the names of possible importers, marketing conditions, etc., for any items are invited to write the Office of the Canadian Trade Commissioner Service, 215 International Trade Mart, New Orleans.

—G. A. Newman
Consul of Canada and Trade Commissioner

Mexico Buys Shell Eggs

MEXICO CITY—Canadian exporters of fresh eggs might well turn their attention to Mexico, a market which they have largely ignored in the past. Serious outbreaks of Newcastle disease among Mexican poultry in the last three years have created a demand for substantial quantities of imported shell eggs. In 1951, these imports totalled over $2 million in value and came entirely from the United States; in 1952, they doubled to over $4 million. Again, the United States was the dominant supplier but other countries began to share in the trade.

The table below gives the details:

Year	From	Weight (in kilos)	Value (in pesos)
1951	United States	3,546,285	19,167,071
	Total	3,546,285	19,167,071
1952	United States	11,208,894	35,228,739
	Guatemala	13,200	70,887
	Switzerland	15	59
	France	7	87
	Total	11,222,116	35,299,772

The Mexican tariff sets the duty on imports of shell eggs at 20 centavos per legal kilogram, plus 25 per cent ad valorem. The official price set for the ad valorem duty is $3.95 pesos, or the f.o.b. invoice value, whichever is the higher.

CEISMA, the semi-government importing organization, is legally the only importer of fresh eggs. Thus Canadians who wish to market shell eggs in Mexico must appoint local representatives who will be able to offer quotations direct to CEISMA.

Demand is for Grade B large eggs packed 360 to the case. This case must be entirely new or used no more than once. The eggs should have a minimum weight of 45 lb. net.

Indications are that the market will continue good for the rest of this year and probably throughout 1954.

—M. T. Stewart
Commercial Counsellor for Canada

France

The Changing Industrial Pattern

Certain industries, such as petroleum, electrical energy, and the engineering group have made spectacular advances since the war; trades like textiles and leather have not fared as well.

PARIS—In a recent statement to the Commission on Economic Affairs of the French Parliament, the Minister of Economic Affairs expressed concern at the slowing-down of the rate of increase in French industrial production during 1952. Although the index for the year showed a 4 per cent increase over 1951, this compared unfavourably with the 13 per cent increase achieved in the two years 1949 to 1951.

Some slowing-down in the rate of increase was to be expected, but the actual increase in 1952 was only possible because of a relatively good showing for the first six months of the year. The average monthly index of industrial production (1938=100) during January-June was 150; for August-December it was only 139, or the same as the monthly average for all of 1951. The index usually falls off drastically during the months of July and August, but in recent years the pick-up in the autumn has offset these slack months. Generally, after a slight dip in December, the new year has shown a return to the rising production trend, but January 1953 carried down the December figure of 145 to 143.

Unemployment Rises

Unemployment is still not serious in France, but the gradual increase during the past year has given rise to some uneasiness and adds emphasis to the slowdown in production. The Minister pointed to the fact that at the end of January the number of *registered* unemployed was 67 thousand, which would give a real figure of some 200 thousand. The total French civilian labour force is calculated at slightly more than 20 million and this means that the proportion of unemployed is not alarming. However, the trend is not as reassuring. In January of 1951 there were only 38 thousand registered unemployed and the figure has shown a steady increase since the low point of 33 thousand in August. Throughout 1951 there was a decline and the present numbers have probably not been equalled since industry settled down after the war.

Signs of Progress

Although the overall production picture gives some grounds for uneasiness, certain industries made very satisfactory progress. The production of electricity has expanded almost continually and only in July and August did its index drop below the 1951 monthly average. The petroleum products industry made spectacular advances. Starting

virtually from scratch after the war, its index reached 330 monthly average during 1952, compared with 282 in 1951. There was an almost uninterrupted increase during the year, with the index at the end of the year standing at 359. The building materials industry (slates, stone, gravel quarry, road-making materials) also showed continued and steady progress with a monthly average of 174 in 1952 (137 in 1951). The metal-working industries had an average monthly index of 173 in 1952 compared with 149 in 1951, an achievement made possible by a fairly uniform but higher production throughout the year rather than by any rising trend. Production of metals, ores and coal also showed considerable increases.

Of the detailed manufacturing industries, steel showed a 24 per cent rise over 1951 and the renascent aeronautical industries produced 44 per cent more than in 1951. This is still considerably below the prewar levels; the end of the year showed an index of 72 and an average monthly index of 66, compared with 56 in 1951. The important automobile industry had a moderately successful year with a monthly average of 189 against 176 for 1951. (This was a 2 per cent increase in production.)

Some Industries Lag

Leather, textiles and staple fibres, paper, glass and publishing were the principal industries showing the greatest drop in production compared with 1951. Glassware production was down by 22 per cent, paper by 26, publishing by 22, leather by 13, textiles by 11 and staple fibre by 32 per cent.

It is difficult to assess the importance to the national economy of these changes in production trends, but the textile industry is still one of the major manufacturing groups in France. It is exceeded only by the iron, steel and engineering industries which, combined, probably account for about 14 per cent of the gross national product. The textile industry alone, however, accounts for perhaps 10 per cent.

Changing Pattern

Changes in the pattern of French industry since the war are illustrated by the relative increase or decrease in the indices. An examination of these figures shows that the production of energy, engineering industries and rubber have made the most spectacular postwar strides, at the expense of the textile and the artisanal trades. The leather trades in particular have failed to become re-established, possibly because the industry used to rely to a large extent on imported hides (imports in 1938 of raw hides were nearly 154 thousand tons, whereas in 1951 they were only 91 thousand tons) and currency problems today make such imports difficult now. Fats and oils are also well below prewar levels.

The paper trades, solid fuels, and metal refining have all passed the 1938 levels but their progress is well below that of industrial production as a whole. In the important textile industry, advance has been slow and the 1938 level was notably exceeded only in 1950 and 1951. The index of 103 in 1952 represents a slip back of 12 points from the 1951 average.

—R. G. C. Smith
Commercial Counsellor for Canada

FAIRS and EXHIBITIONS

Fashions for a Day

A unique trade promotion project, in which seven Canadian sportswear manufacturers are co-operating with the Dominion Government and with the Government of the Province of Quebec, will take place privately on May 15th at a Laurentian resort.

That morning, a number of business executives, buyers and publicity representatives will be flown from New York to the resort to witness a showing of Canadian sportswear and similar items. They will leave New York at 9.15 a.m. and will arrive back, by plane, at 8.30 p.m. the same day.

The object of this special showing is to demonstrate the proximity of Canada as a source of supply of desirable merchandise and to encourage buyers to visit this market on their regular buying trips.

Going to Britain?

. . . You may want to see some of these exhibitions when you visit Britain for the Coronation or later.

Glass Industries Exhibition, London, May 11-16. Information: Mr. G. F. E. Grimaldi, B. and C. D. Exhibitions Ltd., 194-200 Bishopsgate, London, E.C. 2.

Blackburn Ideal Homes Exhibition, Blackburn, May 13-23. Information: Northern Exhibition Services, 66 Deansgate, Manchester 3.

Medical Exhibition, Liverpool, May 18-22. Information: British & Colonial Druggist Ltd., 194-200 Bishopsgate, London, E.C. 2.

Industrial Exhibition, King's Hall, Belfast, May 27-30. Information: S. Clarke, The King's Hall, Belfast.

Grocers, Bakers, Confectioners and Caterers Exhibition, Birmingham, May 27-June 6. Information: Herbert Daniel Exhibitions Ltd., 15 Dover Street, London, W. 1.

6th London Fashion Fortnight, May 27-June 10. Information: Miss D. Fox, Hamilton House, 138 Piccadilly, London, W. 1.

Display of Wool Textiles, London, May 27-June 12. Information: International Wool Secretariat, Dorland House, 18-20 Regent St., London, S.W. 1.

Royal Ulster Agricultural Show, Belfast, May 27-30. Information: Royal Ulster Agricultural Society, King's Hall, Balmoral, Belfast.

73501—2½

Coronation Gem Exhibition, Glasgow, May 30-June 27, sponsored by West of Scotland Branch of the Gemological Association of Great Britain.

British Plastics Exhibition, London, June 8-18. Information: British Plastics, Dorset House, Stamford Street, London, S.E. 1.

Sheffield Industrial and Modern Homes Exhibition, Sheffield, June 10-20. Information: Renova Exhibitions Ltd., 24 Middle St., Brighton 1.

13th Antique Dealers' Fair and Exhibition, London, June 10-25. Information: Captain C. S. Platts, Room 904, Grosvenor House, Park Lane, London, W. 1.

North Staffordshire Trade and Fashions Fair, Hanley, June 13-27. Information: Moorland Exhibition Enterprises, 69 Moorland Road, Weston-super-Mare.

40th Business Efficiency Exhibition, Olympia, June 16-26. Information: Office Appliance and Business Equipment Trades Association, 11-13 Dowgate Hill, Canon Street, London, E.C. 4.

2nd Safety and Factory Efficiency Exhibition, Birmingham, June 19-26. Information: Mr. A. G. Cogswell, S.A.F.E. Exhibition, Fort Dunlop, Birmingham 24.

2nd British Instrument Industries' Exhibition, London, June 30-July 11. Information: F. W. Bridges and Sons Ltd., Grand Buildings, London, W.C. 2.

The President of the Italian Republic visited the Canadian exhibit at the recent Milan Trade Fair and was guided through the display by A. A. Caron, Assistant Commercial Secretary for Canada in Rome. L. to r. (foreground) are: G. Carbone, Secretary General to the President; Mr. Caron; His Excellency, the Hon. Luigi Einaudi, the President.

Utrecht and Canada

The oportunities for Netherlands exporters in the Canadian market were symbolized in a striking way at the 60th Royal Netherlands Industries Fair, held at Utrecht March 17-26. On the third day of the Fair, W. G. Pybus, Assistant Commercial Secretary for Canada, presented to the president of the Fair an aluminum key, made by the Aluminum Co. of Canada Limited and bearing the inscription: "Key to Canadian Trade". (Mr. Pybus was acting for J. A. Langley, Canada's Commercial Counsellor, kept away by illness.)

The Fair, as always, proved a great success. Some 4,027 exhibitors from thirty countries participated and the Fair covered a total area of more than 50,000 square metres. About 150 thousand visitors attended, but the disastrous floods early in February cut down the number coming in from certain Dutch provinces. Foreign visitors arrived from 56 countries and included 15 Canadians.

Canada sponsored an official exhibit for the second time since the war. The display included food products, lumber and paper products, aluminum and other metals, synthetic rubber, etc. Those on duty at the Canadian stand reported a good number of trade inquiries, covering a wide range of commodities. In addition, about 15 people a day asked about emigration to Canada and many Netherlands companies discussed the possibility of setting up branch plants here.

Here is W. G. Pybus, Assistant Commercial Secretary for Canada in The Hague, presenting the "Key to Canadian Trade" to the president of the 60th Royal Netherlands Industries Fair in Utrecht. The presentation of the aluminum key took place at the Canadian stand.

United States

The Trade Picture in '52

Exports from the U.S. reached a record high last year, imports declined slightly compared with 1951, and the gap between reached $4.5 billion.

WASHINGTON—The year 1952 saw domestic exports from the United States soar to a new high of $15,163 million, and imports for consumption, at $10,714 million, fall only slightly below 1951's record figure of $10,967 million.

The table gives the story in detail for the past nine years and points up the margin between export and import trade.

U.S. Exports and Imports, 1943-1952

(in billions of dollars)

Year	Exports	Imports	Difference
1943	13·0	3·4	9·6
1944	14·3	3·9	10·4
1945	9·8	4·2	5·6
1946	9·7	4·9	4·8
1947	14·4	5·8	8·6
1948	12·6	7·1	5·5
1949	12·1	6·6	5·5
1950	10·3	8·9	1·4
1951	15·0	11·0	4·0
1952	15·2	10·7	4·5

Exports Hold Up

Exports of U.S. merchandise include grant aid, military equipment and supplies shipped under the Mutual Security program. During 1952 these reached a value of about $1,981 million, compared with $1,065 million in 1951. The fact that exports for the year were so high was contrary to the expectation of a good many economists who, about mid-year, forecast a decline in export trade. Actually, after running at a steady monthly rate of between $1·2 and $1·4 billion during the first six months, there was a considerable setback in July and August when the value of exports declined to slightly over $1 billion in each of these months. However, the value increased again in the last four months of the year to about the normal rate of $1·2 to $1·3 billion. Whether this high rate of export trade can be maintained through 1953 is another question. Some sectors of trade are already expressing concern, although no very positive indications of a decline have yet appeared.

Imports, on the other hand, maintained a monthly figure of between $800 and $900 million throughout the year with the exception of December when, for the first time in the twelve months, they exceeded $1 billion. Trade figures by broad geographic areas show that imports from Canada went up from $2,275·4 million in '51 to $2,835 million in '52 and from the

twenty Latin American republics, they increased from $3,347·8 million in '51 to $3,410 million in '52. On the other hand, imports from Western Europe declined from $2,051·1 million in 1951 to $1,983·1 million in 1952. This decline was noted in most other areas.

Canadian Imports Larger

Correspondingly, U.S. export returns show that larger shipments to Canada accounted almost entirely for the 1952 increase over 1951 of $197 million in the total value of exports. Exports to Western Europe declined by $751 million; to the South American republics by $270 million; to the Far East by $87 million; and to Africa by $12 million.

By commodity groups, imports and exports for the two years were:

	Exports		Imports	
	1951	1952	1951	1952
Machinery and vehicles	3,796·5	3,860·3	243·3	353·6
Textile fibres and manufactures	1,968·0	1,536·1	1,495·1	1,111·6
Vegetable food products	1,855·2	1,831·9	2,654·8	2,748·7
Non-metallic minerals	1,638·8	1,545·2	977·1	1,060·8
Metals and manufactures	1,036·9	1,224·4	1,435·4	1,922·0
Chemicals and products	980·9	802·0	300·6	244·0
Vegetable products—inedible	803·8	648·6	1,279·2	1,041·6
Miscellaneous	551·1	517·4	67·4	72·6
Animal products—edible	384·7	263·7	429·8	399·2
Wood and paper	380·0	318·8	1,304·4	1,260·7
Animal products—inedible	180·8	156·8	408·4	292·2

Breakdowns of the above figures by sources and destinations are not yet available.

—Stanley V. Allen
Commercial Counsellor for Canada

Transportation

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

How's Business in Haiti?

Uncertainty and pessimism prevailed in business circles at the end of 1952, with lower prices for the all-important coffee, sisal, sugar, banana and cotton crops clouding the outlook.

CIUDAD TRUJILLO—Haiti's purchasing power depends almost solely on the value of her crops, principally coffee, sisal, sugar, bananas and cotton. Towards the end of the year the agricultural situation was far from satisfactory and uncertainty and pessimism prevailed in business circles. Coffee, which has always been Haiti's No. 1 crop, was suffering a setback and the 1952-53 crop was forecast as almost one-third less than in 1951-52. During the corresponding period last year, Haiti benefited considerably from the export of peasant sisal, but because of the weak demand in world markets, the price dropped from over 25 cents a pound f.o.b. to less than 10 cents f.o.b. Sugar cane was suffering a similar fate and banana exports were low, with no immediate prospects of an increase.

Foreign Trade

Exports for the eleven months ending August 31, 1952, amounted to US$51,153,046. Imports totalled US$45,864,452, leaving a favourable trade balance of a little over $5 million. The principal exports for this period by value were:

Coffee	US$32,056,451
Sisal	9,664,251
Sugar	3,276,120
Essential oils	1,141,270
Handicrafts	1,176,759
Castor beans	690,197
Cotton	576,738
Bananas	437,679
All others	2,135,580

The United States was the principal buyer, taking over 58 per cent of total exports. Belgium was second with 23 per cent, followed by Italy, 8 per cent and the Netherlands, 5 per cent.

During the period under review, principal imports were:

Textiles (cotton, jute, etc.)	US$11,580,881
Foodstuffs	9,757,902
Motor vehicles, machinery, radios, refrigerators, etc.	8,058,501
Iron and steel construction materials	4,036,900
Gasoline and oil	1,803,130
Soaps	1,619,361
Shoes and leather goods	1,275,087
Pharmaceutical products	1,033,205
Paper and paper products	961,241
Tobacco and tobacco products	785,980
Lumber	714,378
Rubber products	713,005
Cement	703,060
Glass products	550,827
Threads	409,623
Liquors and wines	358,965
Perfumes and cosmetics	321,806
Matches	209,632
Other products	972,964

—Office National du Tourisme

Haiti's unsatisfactory agricultural situation benefited considerably from exports of peasant sisal, but prices were lower because of weak demand in world markets. This native girl is hanging the sisal out to dry.

Exports from Canada to Haiti during 1952 amounted to Can.$3,417,325, as compared with $2,588,069 in 1951, an increase of over 30 per cent. Principal exports included fish ($1,450,470); flour ($1,176,287); rubber goods; foodstuffs; paper and paper products.

This project is destined to bring some 77 thousand acres of land into cultivation through flood control, drainage, irrigation and agricultural development. The Export-Import Bank has approved a loan of US$14 million and the contract has been awarded to a Texas firm. The total cost is expected to reach about US$22 million, of which the Government will provide about US$8 million.

Bauxite Operations

The Reynolds Mining Corporation of Virginia is beginning preliminary operations, in anticipation of actual mining of bauxite ore in the southern peninsula of Haiti. For the better part of this year, operations will concentrate on the building of a 15-mile asphalt road from the mining sites to the coast, and the erection of port-loading facilities for shipping the ore. The estimated area of the region that will eventually be chosen for mining is about 2,000 acres and approximately $7 million will probably be spent before mining activities begin.

—R. E. Gravel
Canadian Government Trade Commissioner

COMMODITY NOTES

BRITISH WEST AFRICA

Iron Ore—Part of a second postwar development plan of the United Kingdom steel industry was realized on April 9, when between 8,000 and 9,000 tons of iron ore left the new ore field at Conakry, on the west coast of Africa, destined for Great Britain.

This project is part of the steel industry's plan to find a permanent solution to the problem of increasing its supplies of raw materials. Additional quantities of iron ore are expected both from increasing Swedish production and from long-term contracts with Newfoundland —London, April 23.

COLOMBIA

Batteries—The first company to produce batteries in Colombia has begun operations in Medellin, the second city of the Republic. The capital of 500 thousand pesos has been subscribed from Colombian sources and experienced Italian technicians are being used. A wide range of batteries will be manufactured, including those for automobiles, motorcycles, electric railways, boats, airplanes and industry—Bogotá, April 14.

DENMARK

Fresh Pork—A 27-year ban was recently lifted by the United Kingdom to permit entry of fresh pork from Denmark—The Hague, April 14.

ICELAND

Nitrogen Fertilizer—The International Bank for Reconstruction and Development has given Iceland a loan to help finance the construction of a nitrogen fertilizer plant. The plant will make enough fertilizer to meet the country's needs and, because Iceland now has to import all its chemical fertilizers, will save foreign exchange. At full capacity the plant will produce about 18 thousand tons of ammonium nitrate a year. This is substantially above the current consumption but the use of fertilizer is expected to increase gradually until the whole output can be used in Iceland. In the meantime, the surplus will be exported—London, April 22.

ISRAEL

Sodium Hypochloride—Following the establishment of a new factory at Haifa, Electro Chlorine Chemical Industries, Israel's output of sodium hypochloride will be increased by 800 tons a year. This will relieve the present drain on foreign currency reserves to meet the requirements of the local textile and paper industries—Athens, April 7.

JAPAN

Canned Oysters—Oyster fishermen of Hiroshima plan to can about 165 thousand lb. of oysters this year for export primarily to the United States and Canada. Canned oysters produced as an experiment have proved a success—Tokyo, April 10.

SOUTHERN RHODESIA

Minerals—Value of Southern Rhodesia's mineral output in 1952 reached a new high—£20,201,282 (provisional). Gold production was nearly 10,000 ounces more than in 1951; 496,730·13 fine ounces were produced, valued at £6,165,672, but the premium sales amounting to £354,244 brought the total value to £6,519,916. The total value of all other minerals including silver was £13,681,366.

Although final details of December base mineral production have not been issued, large increases in value are expected, as follows: asbestos, £1·2 million; chrome ore (because of stockpiling), £2·75 million; coal sold, £460 thousand; limestone, £130 thousand; tungsten-scheelite concentrates, £220 thousand. The total of these probable increases in value for the 1952 base mineral production is more than £4·76 million—Johannesburg, April 13.

UNITED STATES

Fruits and Vegetables—Even though New Orleans is some 1,500 miles south of Canada, certain Canadian fruits and vegetables still find their way into this market. In 1952, out of a total of 10,814 carloads of fruits and vegetables which entered the New Orleans market, 35 carloads came from Canada. Included in this figure were 11 carloads of apples and 22 carloads of rutabagas. Of the rutabagas 17 carloads were received by rail and 5 by truck—New Orleans, May 1.

WEST GERMANY

Zinc and Lead—Declining prices in the lead and zinc market in 1952 caused considerable worry to the German zinc and lead mines. Production of zinc in 1952 increased only slightly, to a total of 140 thousand tons; production of lead decreased from 147,200 to 128,600 tons. A reduction in orders following the opening of the London zinc and lead market is said to have influenced this development. For some time many metal ore mines have been forced to sell below production costs. Producers are hoping to find some solution to their difficulties through negotiations with the Federal Ministry for Economics. A settlement of the problem, however, is difficult because of varying costs in mines—Bonn, April 17.

Asia Discusses Its Trade Problems

At a recent Trade Promotion Conference held in Manila, twenty Asian countries examined trading problems, and reached some interesting conclusions.

MANILA—Asia is today occupying an increasingly important position in world affairs. The twenty Asian countries extending from Pakistan to the Philippines contain nearly half the world's population and control a very large proportion of certain vital commodities, including rubber, tin, jute, tea, fats and oils. Yet these twenty countries enjoy only about ten per cent of world trade. Moreover, the deterioration in the world's basic raw materials markets has painfully affected Asian trade. Hence, any plans designed to promote the trade of Southeast Asia deserve serious consideration.

One of the organizations working actively in this field is the UN's Economic Commission for Asia and the Far East. The general meeting of ECAFE held in Indonesia in February (see *Foreign Trade* of April 11, 1953) was followed by a nine-day Trade Promotion Conference in Manila, Philippines. This conference attracted some 150 delegates and observers from 37 countries which were either members of the ECAFE, United Nations members outside of ECAFE, or entirely outside the United Nations. In addition, several groups were invited to send observers, including the Food and Agriculture Organization, the International Labour Office, and others interested in international affairs, such as the Commission for Asia and the Far East of the International Chamber of Commerce.

Economic Conditions Reviewed

Many interesting facts were brought out in the resumés of economic conditions in the various countries given at the opening session. Europe accounts for one-third of the trade of Southeast Asia, but since the war there have been some conspicuous shifts in Asian trade. The share of the United States, especially as a supplier, has increased. United States exports to the ten main ECAFE countries increased in relation to world trade in the period 1928 to 1952 from 9 to 17 per cent, but exports from Europe dropped from 43 to 21 per cent. Particularly marked was the decline in imports from Britain—from 25 to 14 per cent.

Trade between Southeast Asia and Eastern Europe, including the USSR, is an insignificant part of the total, despite the highly advertised economic development in the Soviet. In fact, trade with the USSR has consisted largely of exchanging raw materials for food.

Further surveys have revealed that trade between the countries of Southeast Asia could be increased; in fact, intra-regional trade is less than one-third of the total.

Following these economic reviews, the Conference resolved itself into three committees to discuss other resolutions which had been adopted by the preceding conference held in Singapore in October 1951. One

committee took up marketing research as an aid to improving trade promotion; a second discussed methods of increasing exports, and a third considered import needs and export availabilities.

Controversial Questions Discussed

Controversial subjects debated included barter trade agreements, price stabilization, credit facilities, and the standardization of Asiatic exports. A lengthy debate followed a suggestion that countries in Southeast Asia should export processed products instead of raw materials. The Executive Secretary of ECAFE, Dr. P. S. Lokanathan, observed that "no nation can be compelled to limit the development of its processing industry if it wants to develop it to the maximum. Asiatic countries could turn out processed goods, and still export raw materials which could not be consumed by Asiatic processing plants".

No definite solutions of the many irreconciliable issues raised at the Conference were reached but, as the chairman, Mr. Balmaceda (the Philippine Secretary of Commerce) put it: "The Conference fully achieved its purpose by providing an opportunity for full discussion on international problems". Representatives argued long and hard over trade policies which obviously were bound to conflict, yet many delegates left Manila with a vivid impression of growing Asiatic solidarity and an inevitable shift in Asiatic trade.

However, although this impression of "Asiatic solidarity" pervaded the Conference, there was, at the same time, much evidence that delegates from Southeast Asia were also aware that their economic progress could be accelerated through friendly external aid. It was also apparent that they felt that, though substantial financial assistance was still generally needed, expert technical advice was still more essential.

Recommendations Put Forward

The following recommendations, covering the development of Asian trade with the West and increased inter-Asian trade, were made:

- That the ECAFE secretariat be supplied with information on credit facilities.

- That the Asian countries adopt, singly or collectively, methods that would help to stabilize raw material prices.

- That barter agreements between governments should not be ruled out completely, but that interested countries should study their possibilities.

- That steps be taken to improve port facilities to bring about a reduction of freight rates.

- That, to widen the range of suppliers, potential purchasers prepare specifications for imported equipment. The Bureau of Standards, International Standards Association and other appropriate agencies should give special advice towards the attaining of universal specifications.

- That governments should not impose import restrictions in such a way as to penalize countries which are not trading in specific goods.

- That customs procedures be simplified and tariff barriers reduced.

- That tourist facilities be improved.

Delegates also considered marketing research problems and recommended a more complete exchange of information on research developments in all countries.

Most of the delegations included civil service experts on Asian affairs, businessmen interested in the trade of the area, or businessmen who were nationals of countries in the region. They were therefore keenly interested in promoting and enlarging Asian trade. Consequently discussions were highly practical and reflected the business approach in the problems raised and in the desire for speedy solutions.

—FREDERICK PALMER
Consul-General of Canada and Trade Commissioner

TRADE COMMISSIONERS ON TOUR

TO familiarize themselves with conditions in this country and the special requirements of businessmen, Canadian Trade Commissioners return to Canada periodically. Exporters and importers are invited to discuss with the Trade Commissioner the markets and sources of supply in his territory.

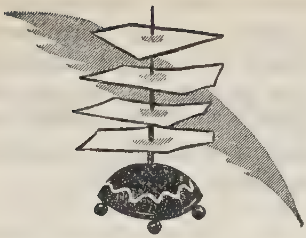
C. M. Croft, Commercial Counsellor for Canada in Sydney, Australia, began a tour of Canada in Vancouver on May 8. His itinerary follows:

Vancouver—May 8-15
Ottawa—May 24-30
Toronto—June 5-17
St. Catharines—June 18-19
Hamilton—June 20-23
Windsor—June 24-25

M. T. Stewart, Commercial Counsellor for Canada in Mexico City, began the second part of his Canadian tour in Windsor and Walkerville on May 4. His itinerary follows:

Welland—May 12
St. Catharines—May 13
Hamilton—May 14-15
Ottawa—May 18-22
Toronto—May 25-June 6
Montreal—June 8-20
Quebec—June 22
Saint John—June 25-26
Halifax—June 29-30

Businessmen may get in touch with these officers through the Board of Trade in Montreal, Quebec, Saint John and Halifax; the Chamber of Commerce in Windsor, Welland, St. Catharines and Hamilton; the Canadian Manufacturers Association in Toronto, and the Department of Trade and Commerce in Ottawa and Vancouver (355 Burrard St.).



GENERAL NOTES

COLOMBIA

Asbestos Deposits Explored—A new Colombian firm, Compania de Asbestos Colombiana S.A., has been formed to explore the asbestos deposits in an area of the Department of Antioquia, north of the city of Medellin. Capital of one million pesos has been subscribed by a semi-official Colombian body, certain local firms, and an important North American company, which has had experience in the mining and producing of asbestos in many parts of the world, including Canada. The technical skill will be provided by the North American company and it will direct actual exploration and development—Bogotá, April 10.

EGYPT

Regenerating Lubricating Oils—A factory for the regeneration of used lubricating oils was recently opened by Premier General Naguib at Mostorod, near Cairo. The factory is equipped with German-made machinery and will also produce greases. It is claimed that the factory will refine used oils to British and other standard specifications with a loss of only 25 per cent by volume of oil treated. If successful, it will mean a considerable saving in dollars because Egypt imports about £E1,000,000 worth of lubricating oils a year from the U.S.—Cairo, April 6.

GUATEMALA

Develop Wheat Production—The Government of Guatemala plans to promote wheat production with the aim of national self-sufficiency by 1958. Results at experimental stations and a recent survey indicate that the seven regions best suited to wheat-growing should be capable of producing 1¼ million bushels a year at 15 bushels an acre. With wheat from other areas it is estimated that 1·55 million bushels could be produced in 1958, which would reduce imports to the small amount required for blending purposes. Consumption in 1950 amounted to 1·45 million bushels, of which 0·6 million bushels were produced locally—Guatemala City, April 10.

INDIA

Production of Rare Minerals—Details of production in the state-owned rare earths factory at Travancore were recently announced. The factory has already produced 77 tons of rare earth chloride and carbonate. Normal production will be approximately 1,000 tons of

rare earth chlorides and 450 tons of carbonate a year. Thorium and uranium are produced as by-products, and export may be permitted. Another by-product, trisodium phosphate which is a useful cleaning agent, can be absorbed in India itself. The factory is capable of processing 1,500 tons of monazite sands a year. Small quantities of a new kind of mineral, very rich in the radioactive elements thorium and uranium, have been discovered—New Delhi, April 10.

INDONESIA

Nationalize Tin Mines—The Government has decided not to extend the contract of the Billiton Mining Corporation for the operation of the Banka Tin Mines, the Indonesian Minister of Economic Affairs has announced. This contract expired at the end of February. He added, however, that co-operation with the operating company would be maintained. Indonesia's present tin output, averaging 30 thousand long tons of tin-in-concentrates (about 70 per cent pure tin), is now up to prewar levels. After rubber, tin is Indonesia's most important source of foreign exchange—Singapore, April 7.

MEXICO

Diesel-Fiat Plant—Two hundred million pesos will be invested in a Diesel-Fiat plant which is being constructed in Irolo, State of Hidalgo, for the assembly of Fiat automobiles and railroad freight cars, according to a statement made in Mexico City by Sr. Rodrigo Gomez, Director of the Bank of Mexico—Mexico, D.F., April 13.

NETHERLANDS

Retail Sales—Netherlands retail turnover in February was strongly affected by the flood disaster and showed considerably lower figures than in the previous year. Even compared with the sales figures for 1949 they are 58 per cent lower. For footwear and household goods the decreases amounted to 38 and 39 per cent, respectively. During the week from February 9 to 14 sales of textiles remained 54 per cent below the 1949 level—The Hague, April 15.

NEW ZEALAND

Tissue Paper Mill—A mill is to be built near Auckland, with a capital of £500 thousand, to make various tissue papers including toilet, fruit, facial and paper towels and serviettes. It will be the first mill of this type in New Zealand and will probably be able to supply the entire local demand. An important Canadian mill is interested in the undertaking—Wellington, April 9.

WEST GERMANY

Tourist Trade Grows—According to the German Tourist Association, Germany is fast regaining her prewar position as one of the leading holiday and tourist centres. Income from tourists was estimated at about DM400 million in 1952, as against DM275 million in 1951 and DM175 million in 1950. The Association reports that some 350 thousand beds are now available for visitors throughout Western Germany—Bonn, April 17.

The Indo-Pakistan Trade Agreement

NEW DELHI—The new trade agreement between India and Pakistan signed several weeks ago in New Delhi is the outcome of the disputes at the last GATT meeting. At that time, India accused Pakistan of levying a licence fee on Pakistan jute exported to India which did not apply on exports to other countries. Pakistan in return complained of the surcharge placed on Indian coal imported into Pakistan.

Effective March 25, Pakistan removed the licence fee of Rs.2.8.0 per maund (80 lb.) on exports of raw jute to India and reduced the export duty on loose jute or "kuchha" bales to the same level as the export duty on "pucca" bales. India, on her part, agreed that the price of coal supplied to Pakistan—which had hitherto been higher than prices charged to Indian consumers—should be reduced to bring the two on a par. In addition, Pakistan agreed to levy the same rate of import duty per foot of exposed cinematograph film imported into Pakistan from India as is levied on imports from other countries.

Trading Relations Improve

Announcement of this agreement appears to clear the way for more normal trading relations between the two countries. In August 1952, an attempt was made to negotiate a trade agreement but at that time Pakistan would not give way on the export licence fee and India refused to discuss the more important items of trade unless Pakistan agreed to cancel this fee. As a result, the agreement that was eventually signed was of minor importance.

Since then, the economic situation has altered considerably. A bumper jute crop last season, combined with a large carry-over from the previous harvest as well as falling prices, has presented Pakistan with a difficult situation and it was generally felt that, sooner or later, some agreement with India would have to come.

Specific Advantages Gained

For the next three years, the duration of the Agreement, Pakistan has an assured market for a minimum of 1·8 million bales a year, with the possibility of selling 2·5 million bales. It is estimated that Pakistan will lose approximately Rs.50 million as a result of removing the Rs.2.8.0 licence fee and reducing the export duty. On the other hand, an assured market for 1·8 million bales will have a stabilizing effect, particularly after present stocks have been liquidated. Production of jute during the next season has been restricted to 4·2 million bales, approximately 25 per cent less than in the previous year.

The advantage to India is more apparent. The abolition of the export licence fee will enable Indian jute mills to compete in export markets on equal terms with Continental manufacturers. Some have expressed concern that growers of jute in India may suffer because of larger imports

from Pakistan. However, the general opinion seems to be that imports from Pakistan will consist mainly of the superior qualities of jute not grown in India. Furthermore, Indian jute mills have undertaken to purchase the entire domestic production of jute.

If the agreement is as successful as the discussion which brought it about, it seems possible that the drive for Indian self-sufficiency in raw jute may be slowed down. It is very doubtful whether self-sufficiency could be fully achieved, because India cannot produce the superior qualities that are grown in Pakistan.

The saving to Pakistan as the result of India ceasing to levy a surcharge on coal exported from India cannot be estimated, but it seems probable that it will equal the loss of revenue from the licensing fee on jute exports.

There is no doubt that both countries will benefit from this agreement and it is generally regarded as showing that both are adopting a more realistic attitude toward trade and commerce.

—Richard Grew
Commercial Counsellor for Canada

TRADE AND TARIFF REGULATIONS

BELGIAN CONGO

Customs Duty on Advertising Matter—Catalogues and other printed advertising matter are admitted into the Belgian Congo free of customs duty. Publicity articles which have some value in themselves, however, such as calendars, decalcomanias, daily diary books, postcards, fountain pens, etc., are dutiable.

It is preferable to mail large catalogues as "Printed Matter—Catalogues" rather than by parcel post, as this eliminates the payment of a "formality" fee levied in the Belgian Congo on parcel post shipments and overcomes a delay which such shipments often suffer.

In the past, all advertising matter other than catalogues and price lists entering the Belgian Congo has been dutiable—Leopoldville, April 24.

Recipients of the leaflet "Belgian Congo—Shipping Documents and Customs Regulations" compiled by the International Trade Relations Branch, should amend the section on advertising on pages 4 and 5 of their leaflet accordingly.

BERMUDA

Onions—The Bermuda Supplies Commission advised importers on April 4th that onions will not be permitted to arrive in the Colony from Canada and the United States after April 15th.

BRITISH HONDURAS

Tariff Changes—The Governor of British Honduras assented on February 14, 1953, to an ordinance passed on January 30 by the Legislative Council of the Colony, amending the customs and excise duties on a number of items. The ordinance is retroactive to November 21, 1952. Increases were made in the customs duties on beer, wine, spirits, tobacco of all kinds, fuel oil, lubricating oil and all perfumery and toilet preparations except dentifrices. The duties on butter, butter substitutes, rice and other grains, beans and peas, lard and lard substitutes, were decreased. The excise duties on locally manufactured rum and tobacco were raised. Interested Canadian exporters can obtain details of these changes on application to the Department of Trade and Commerce, Ottawa.

The entry tax applicable on imports into that Colony has been increased from 1 per cent of value, with a minimum of 10 cents, to 2 per cent, the minimum remaining unchanged. This increase does not apply to food for human consumption.

CUBA

New Consular Invoice Regulations—By Cuban decree 890 of March 28, 1953, new measures have been taken to safeguard the collection of import customs duties and sales tax. The following requirement is brought into force under this decree:

As of January 29, 1953, Cuban Consuls may not visa consular invoices covering exports to Cuba by freight forwarders, jobbers, middlemen or dealers unless the commercial invoice is accompanied by the invoices or bills of sale issued by the last intermediary.

This requirement does not apply when the shipper is the original producer or manufacturer of the goods shipped to Cuba.

Consular invoices covering freight shipments from any place in Canada must be visaed by one of the Cuban Consuls in Canada.

EGYPT

Import Entitlement—In an effort to increase the volume and rate of cotton exports, the Egyptian Government has introduced a new system called "Import Entitlement Accounts". Under this, holders of such Entitlements will be granted import licences for essential dollar and sterling goods on demand. This new account will work simultaneously with the Egyptian Export Account system under which Canada has, in the past, been able to transact business with Egypt. Briefly, exports of Egyptian produce and manufactures under the Import Entitlement Account will operate as follows:

Exports of Egyptian produce and manufactures are to be paid for in dollars or sterling. Exporters will receive Entitlements which will vary according to the class of goods—for example, Entitlements

to the extent of 100 per cent of the value of the goods to be sold will be issued for items such as cotton yarn and cloth, and 75 per cent for other exportable goods including raw cotton.

These Entitlements will be freely negotiable (through an authorized bank) in Egypt. They will be sold to the buyer offering the best premium, which will have to be recovered in the selling price of the dollar or sterling goods imported against such Entitlements.

Would-be buyers of dollar and sterling goods may purchase such Entitlements through an authorized bank and subsequently present an application for an import permit for an equivalent value of goods. This will automatically be granted, provided the goods come under the restricted list of "essentials".

Import Entitlement Accounts are valid for three months only. The local authorities have so far made no provision to extend the validity of such Entitlements.

Goods at present classified by the Egyptian Licensing Control authorities as "essential" imports cover: canned products, including meats, fish, fruits and milk; fish, salted, dried and smoked; chemical and pharmaceutical products; mineral fuel and oils; machinery and parts; mechanical appliances, boilers, etc.; typewriters; pulp, paper and board; electrical apparatus, lamps, fans, generators, motors, transformers; telegraphic and telephonic equipment; apparatus for heating and domestic use; rolling stock; wires and cables; motor vehicles and accessories; optical and photographic equipment, parts—Cairo, April 17.

UNITED STATES

Entry Requirements for Certain Wheat Amended—In a statement published in the *U.S. Federal Register* of April 30, 1953, the Bureau of Customs announced that it has reviewed the practice of classifying wheat which contains 30 per cent or more of damaged kernels as "Wheat unfit for human consumption" under tariff paragraph 729. The review has established that substantial quantities of grades of wheat which it has been the practice to classify as "Wheat unfit for human consumption" are commercially usable, after blending with higher grade wheat, in the milling of products for human consumption.

Accordingly, the Customs Regulations are being amended by the addition of the following new section:

"10.106 Wheat, unfit for human consumption; other wheat. (*a*) There shall be filed in connection with each entry covering wheat entered under paragraph 729, Tariff Act of 1930, as modified, as 'wheat, unfit for human consumption', a declaration of the importer setting out whether any part of the importation is to be used with or without blending with other wheat in the manufacture of products for human consumption. If it is declared that no part of the shipment is to be so used, a further declaration shall be made stating the use to which the wheat is to be put. When it is shown by the declaration that the wheat is to be used in the manufacture of products

for human consumption, it shall be classified as 'wheat' under the provisions of paragraph 729, as modified. However, when the declaration states that the wheat is to be used otherwise than in the manufacture of products for human consumption, the procedure outlined in T.D. 47577* shall be followed, and in the absence of other controlling factors, the wheat shall be classified as 'wheat, unfit for human consumption' under the provisions of paragraph 729, as modified, if it contains 30 per centum or more of damaged kernels."

The Bureau of Customs states further: "As this new section may result in the assessment of duty at a higher rate with respect to some imported wheat than has heretofore been assessed under the existing uniform practice, it shall be applied to such merchandise only when entered or withdrawn from warehouse for consumption after 90 days from the date of publication of this amendment in the weekly *Treasury Decisions*".

Import Tax on Ontario White Spruce—The United States Bureau of Customs has placed the following notice in the *Federal Register* of April 28, 1953:

"White Spruce Lumber Tariff Classification

"The Bureau, by its Circular Letter No. 2841, dated April 22, 1953, held that white spruce lumber obtained from trees grown in the Canadian province of Ontario is subject to the import tax provided for in Section 3424(a), Internal Revenue Code, as amended.

"As this ruling will result in the assessment of duty at a rate higher than that heretofore assessed under an established and uniform practice, it will be applied to such or similar merchandise entered or withdrawn from warehouse for consumption after 90 days from the date of publication of an abstract of this decision in a forthcoming issue of the weekly *Treasury Decisions*."

The effect of this classification is to make Ontario white spruce lumber subject to the import tax of 75 cents per 1,000 f.b.m.

* T.D. 47577 issued in 1935 sets forth the procedure for inspection of the grain—Editor.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Foreign Commercial Representatives in Canada

ARGENTINA
Ottawa—Economic Attache, Embassy of Argentina, 193 Sparks Street.
Montreal—Consul General of Argentina, 1111 Beaver Hall Hill.

AUSTRALIA
Montreal—Australian Government Trade Commissioner, 1255 Phillips Square.
Vancouver—Australian Government Trade Commissioner, 643 Hornby Street.

AUSTRIA
Ottawa—Charge d'Affaires a.i., Legation of Austria, 136 Queen Street.
Montreal—Austrian Trade Delegate, 1507 Crescent Street.

BELGIUM
Montreal—Consul General of Belgium, 709 Sun Life Building.

BOLIVIA
Montreal—Consul General of Bolivia, 5612 Canterbury Avenue.

BRAZIL
Montreal—Commercial Attache, Brazilian Government Trade Bureau, Room 302, 400 St. James Street West.

BRITISH GUIANA
Montreal—Trade Commissioner for British Guiana, 37 Board of Trade Bldg.

BRITISH WEST INDIES and THE BAHAMAS
Montreal—Trade Commissioner for the British West Indies and The Bahamas, 37 Board of Trade Bldg.

CHILE
Montreal—Consul General of Chile, 1410 Stanley Street.

CHINA
Ottawa—Commercial Attache, Embassy of the Republic of China, 201 Wurtemburg St.
Vancouver—Consul General of China, 510 Hastings Street West.

COLOMBIA
Montreal—Consul General of Colombia, 3757 Wilson Avenue, Notre Dame de Grace.
Vancouver—Consul of Colombia, 550 Beatty Street.

COSTA RICA
Montreal—Consul General of Costa Rica, 434 Elm Avenue, Westmount.

CUBA
Ottawa—Commercial Attache, Embassy of Cuba, 400 Holland Ave.

CZECHOSLOVAKIA
Montreal—Commercial Attache of Czechoslovakia, 1255 Phillips Sq.

DENMARK
Ottawa—Commercial Counsellor, Royal Danish Legation, 451 Daly Ave.
Montreal—Consul, Royal Danish Consulate, Room 815, Keefer Building, 1440 St. Catherine Street West.

DOMINICAN REPUBLIC
Ottawa—Consul General of the Dominican Republic, 105 Cameron Avenue.
Montreal—Consul General of the Dominican Republic, Apt. 4, 3201 Forest Hill Ave.

ECUADOR
Montreal—Consul General of Ecuador, 59 Belvedere Road, Westmount.

EGYPT
Ottawa—Consul, Royal Egyptian Consulate General, Room 616, Chateau Laurier.

EL SALVADOR
Montreal—Consul General of El Salvador, Apt. 14, 1452 Bishop Street.

FINLAND
Ottawa—Second Secretary, Legation of Finland, 140 Wellington Street.

FRANCE
Ottawa—Commercial Attache, Embassy of France, 464 Wilbrod Street.
Montreal—Commercial Attache of France, 610 St. James St. West.
Toronto—Commercial Attache of France, 185 Bay Street.

GERMANY
Ottawa—First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 580 Chapel Street.
Montreal—Consul of the Federal Republic of Germany, 1529 McGregor Street.

GREECE
Ottawa—Commercial Attache, Royal Greek Embassy, Suite 110, Chateau Laurier.

GUATEMALA
Montreal—Consul General of Guatemala, 401 Metcalfe Ave., Westmount.

HAITI
Montreal—Consul of Haiti, 1405 Bishop Street.

HONDURAS
Montreal—Consul General of Honduras, Suite 2, 1448 Sherbrooke Street West.

INDIA
Ottawa—Second Secretary, Office of High Commissioner for India, 200 MacLaren St.

IRELAND
Ottawa—Secretary, Embassy of Ireland, 140 Wellington Street.

ISRAEL
Montreal—Consul General of Israel, Bank of Montreal Bldg., 1260 University Street.

ITALY
Ottawa—Commercial Attache, Embassy of Italy, 133 Sparks Street.

JAPAN
Ottawa—First Secretary (Commercial), Embassy of Japan, Room 701, Metcalfe Bldg.
Vancouver—Japanese Consulate, 510 Hastings Street West.

LEBANON
Ottawa—Consul General of Lebanon, 199 Wurtemburg Street.
LUXEMBOURG
Montreal—Consul General of Luxembourg, 4832 Western Avenue.
MEXICO
Montreal—Consul General of Mexico, Room 506, Castle Bldg.
MONACO
Montreal—Consul of Monaco, 5 St. James Street East.
NETHERLANDS
Ottawa—Commercial Counsellor, Embassy of the Netherlands, 168 Laurier Ave. East.
NEW ZEALAND
Montreal—New Zealand Trade Commissioner, Room 609, Sun Life Building.
NORWAY
Ottawa—Secretary, Norwegian Legation, 140 Wellington Street.
Montreal—Vice-Consul of Norway, 1410 Stanley Street.
PAKISTAN
Ottawa—Commercial Attache to the Pakistan High Commissioner, 499 Wilbrod St.
PERU
Ottawa—Secretary, Embassy of Peru, 539 Island Park Drive.
POLAND
Ottawa—Acting Commercial Attache of the Polish Legation, 183 Carling Ave.
PORTUGAL
Montreal—Consul General of Portugal, 1499 Bishop Street.
SPAIN
Montreal—Consul of Spain, Commercial Office, 451 Mount Pleasant Ave.
SWEDEN
Ottawa—Attache, Royal Legation of Sweden, 720 Manor Road, Rockcliffe Park.
Montreal—Commercial Secretary, Royal Consulate General of Sweden, 1511 Bishop St.
SWITZERLAND
Ottawa—Secretary, Swiss Legation, 5 Marlborough Avenue.
Montreal—Consul General of Switzerland, 1572 McGregor Street.
Toronto—Consul of Switzerland, 159 Bay Street.
Vancouver—Acting Consul of Switzerland, 402 West Pender Street.
Winnipeg—Acting Consul of Switzerland, 210 Mitchell-Copp Bldg., 334 Portage Avenue.
THAILAND
Toronto—Consul of Thailand, 200 Bay Street.
Vancouver—Consul of Thailand, 5416 Marguerite Street.
TURKEY
Ottawa—Turkish Embassy, Room 612, Chateau Laurier.
UNION OF SOUTH AFRICA
Ottawa—Commercial Secretary, Office of the High Commissioner for the Union of South Africa, 15 Sussex Street.
UNION OF SOVIET SOCIALIST REPUBLICS
Ottawa—Representative of the Commercial Counsellor, Embassy of the USSR, 285 Charlotte Street.
UNITED KINGDOM
Ottawa—United Kingdom Senior Trade Commissioner and Economic Adviser to the High Commissioner, 56 Sparks Street.
Edmonton—United Kingdom Trade Commissioner for Alberta, 10053 Jasper Avenue.
Montreal—United Kingdom Trade Commissioner for Quebec, United Kingdom Trade Commissioner for the Maritimes and Newfoundland, 1111 Beaver Hall Hill.
Toronto—United Kingdom Trade Commissioner for Ontario, 67 Yonge St.
Vancouver—United Kingdom Trade Commissioner for British Columbia, 850 West Hastings Street.
Winnipeg—United Kingdom Trade Commissioner for Manitoba and Saskatchewan, 403 Royal Bank Building.
UNITED STATES
Ottawa—Commercial Attache, Embassy of the United States, 100 Wellington St.
Calgary—Vice-Consul of the United States, Toronto General Trusts Bldg.
Edmonton—Consul of the United States, 214 Empire Block.
Halifax—Consul General of the United States, Bank of Nova Scotia Bldg.
Hamilton—Consul of the United States, 42 James Street South.
Montreal—Consul General of the United States, 1410 Stanley Street.
Niagara Falls—Consul of the United States, Newman Hill, Falls Street.
Quebec—Consul of the United States, 65 St. Ann Street.
Regina—Consul of the United States, 22-23 Government Insurance Bldg.
Saint John—Consul of the United States, 204 Union Street.
St. John's—Consul General of the United States, Commercial Chambers Bldg., 197-199 Water Street.
Toronto—Consul General of the United States, 302 Bay Street.
Vancouver—Consul General of the United States, 355 Burrard Street.
Victoria—Consul of the United States, 805 Government Street.
Windsor—Consul of the United States, Guaranty Trust Bldg.
Winnipeg—Consul General of the United States, 402 Tribune Bldg.
URUGUAY
Ottawa—Charge d'Affaires a.i., Legation of Uruguay, 36 Marlborough Avenue.
VENEZUELA
Montreal—Consul General of Venezuela, 2052 St. Catherine Street West.
YUGOSLAVIA
Ottawa—Embassy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·01458.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. April 30*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1314	
		Basic buying	·1971	(1)
		Preferential selling	·1971	
		Basic selling	·1314	
		Free	·07095	
Austria	Schilling		·04614	
Australia	Pound		2·2220	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01974	
Bolivia	Boliviano	Official	·01643	tax 5% (1)
		Differential	·00981	tax 3% 2
British West Indies	Dollar		·5786	(3)
	Pound		2·7775	(4)
	Dollar	Brit. Honduras	·6943	
Brazil	Cruzeiro	Official	·05327	tax 8% (2)
		Free	·02309	
Burma	Kyat		·2083	
Ceylon	Rupee		·2083	
Chile	Peso	Official	·03174	(1)
		Commercial	·01641	
		Free	·00896	
Colombia	Peso	Basic	·3942	tax 3% (2)
		Coffee buying	·4252	
Costa Rica	Colon	Official	·1759	(5)
		Free	·1484	*March 16
Cuba	Peso		·9856	tax 2%
Czechoslovakia	Koruna		·01971	
Denmark	Krone		·1427	
Dominican Republic	Peso		·9856	
Ecuador	Sucre	Official	·06571	(6)
		Free	·05694	
Egypt	Pound		2·8303	
Fiji	Pound		2·5022	
Finland	Markka		·00428	
France	Franc		·00282	
French Africa	Franc		·00564	
French Pacific	Franc		·01550	
Germany	D Mark		·2347	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9856	
Haiti	Gourde		·1971	
Honduras	Lempira		·4928	
Hong Kong	Dollar	Free	·1654	*March 17
Iceland	Krona	Official	·06052	
		Special buying	·04662	
		Special selling	·03773	
India	Rupee		·2083	
Indonesia	Rupiah	Basic	·08646	(7)
		Dollar certificate	·00186	*March 16

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. April 30	Notes (See below)
Iran	Rial	Certificate I	·01116	*April 8
		Certificate II	·01110	*April 8
Iraq	Dinar		2·7775	
Ireland	Pound		2·7775	
Israel	Pound	Basic	2·7597	
		Special	1·3799	
		Investment	·9856	
Italy	Lira		·00158	
Japan	Yen		·00274	
Lebanon	Pound	Free	·2753	*
Mexico	Peso		·1139	
Netherlands	Guilder		·2594	
Netherlands Antilles	Guilder		·5226	
New Zealand	Pound		2·7775	
Nicaragua	Cordoba	Effective buying	·1493	(8)
		Official	·1398	
		With Surcharge I	·1224	
		With Surcharge II	·09807	
Norway	Krone		·1380	
Pakistan	Rupee		·2979	
Panama	Balboa		·9856	
Paraguay	Guarani	Basic	·06571	(1)
		With Surcharge I	·04693	(9)
		With Surcharge II	·03285	
Peru	Sol	Certificate	·06172	tax 17% (2)
Philippines	Peso		·4928	
Portugal	Escudo		·03440	
El Salvador	Colon		·3942	
Singapore & Malaya	Straits dollar		·3240	
South Africa (Union of)	Pound		2·7775	
Spain & Dependencies	Peseta	Basic buying	·04501	
		Basic selling	·08785	(1)
		Basic commercial selling	·06001	
		Free	·02502	
Sweden	Krona		·1905	
Switzerland	Franc		·2300	
Syria	Pound	Free	·2659	*March 16
Thailand	Baht	Official	·07885	(1)
		Free	·05850	*Feb. 27
Turkey	Lira		·3520	
United Kingdom	Pound		2·7775	
United States	Dollar		·9856	
Uruguay	Peso	Official	·6489	
		Basic buying	·5537	
		Special buying	·4194	(1)
		Basic selling	·5188	
		Special selling	·4023	(10)
Venezuela	Bolivar		·2942	
Yugoslavia	Dinar		·00329	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic rate plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

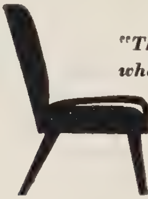
For additional explanatory notes see *Foreign Trade* of October 11, 1952.

AT THE

TRADE FAIR

THERE'S A PLACE FOR THE

retailer,



"The Trade Fair is for retailers, too. Altho
wholesalers and agents do most of the buy
their choice is determined by the dem
existing among retailers. We have fo
the Trade Fair very profitable to atte

Buyer's Report—General Merchant of Ca

24,529 business visitors came to see—and many to buy—the world's newest merchandise shown at the last Trade Fair by 1272 exhibitors from 29 countries.

The 1953 Trade Fair promises to be even more a mecca for buyers.

That's why we urge you to finalize your plans to attend.

There is no easier or more economical way to preview the latest goods that Canada and the world have to offer.

IMPORTANT—*write now for room reservations to: The Administrator, Canadian International Trade Fair, Exhibition Park, Toronto 2-B, Ontario.*

Sixth

CANADIA
Internationa
TRADE FAI

TORONTO, JUNE, 1-12 19

OPERATED BY THE GOVERNMENT OF CANADA TO PROMOTE YOUR B

foreign trade

MAY 16, 1953

The Netherlands' Farmer Prospers (page 2)

foreign trade

VOL. 13 OTTAWA, MAY 16, 1953 NO. 333

'ER . . . This view of the 'ields near Lisse serves to asize the importance of ultural products in Dutch ultural exports. Last year da bought more than thousand worth of tulip from the Netherlands. full report on Dutch ulture in 1952, turn to two.

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

The Netherlands' Farmer Prospers

Last year saw agricultural and food exports reach a new high, with dairy products in the lead. But flood damage and other adverse factors make predictions for '53 difficult.

THE HAGUE—In 1952, the Netherlands food and agricultural industry experienced its best postwar year. High production in most phases of agriculture, a deflationary domestic policy that checked home consumption and cut imports, and a buoyant and record demand abroad for Dutch food and agricultural exports—all these made this achievement possible.

Best Year since '49

The number of livestock was down slightly from 1951 but gave every indication of recovering and achieving a record in 1953. Milch cows were 50,000 fewer because of liquidation of old stock under the bovine t.b. eradication scheme but heifers increased substantially. Market hogs were down 139 thousand in the May census but a sharp rise in breeding sows to 277 thousand indicated increasing production. This was borne out by the December census, showing 2½ million hogs, compared with under 2 million in December 1951.

Domestic fowl (23·8 million in May) were 1·5 million fewer than in the previous year but by December the 15·7 million approximated the figure of the previous two years. There were fewer ducks than in 1951—and 35½ per cent below prewar. Horses, which have been decreasing since the war, fell to 240 thousand; sheep increased slightly to 360 thousand and appear to have reached a more or less constant level.

Dairy Production

The decline in milch cows and the prevalence of foot and mouth disease in the early months of 1952 brought milk production, at 5·6 million metric tons, down 1 per cent from the previous year. However, the average production per cow increased 50 kgs. over 1951 and the fat content remained constant at 3·65 per cent. Butter production declined drastically in favour of concentrated milk products. Production indices provide the following picture of current trends in the Netherlands dairy industry:

	1938	1950	1951	1952
Milk	100	110	108	107
Butter	100	92	83	73
Cheese	100	101	112	114
Condensed whole milk	100	179	183	233
Milk powder	100	146	121	175

Livestock slaughterings in 1952 varied considerably from the 1951 pattern. More mature cattle went to the packers for both domestic and

export consumption but fewer calves. More hogs were slaughtered for export but fewer for the home market. Sheep slaughterings for both purposes were down.

Fruit, vegetable and nursery crops were generally excellent in 1952. Total fruit production was estimated at 687 thousand metric tons, a 27 per cent increase over 1951 but slightly less than the record year of 1949. Vegetable production, at 960 thousand metric tons in 1952, was 54 thousand tons higher than in the previous year.

Export Balance Improved

Ministry of Agriculture estimates place Netherlands 1952 food and agricultural exports at 3·5 billion guilders in value, or 44 per cent of all Dutch exports. In 1951 the corresponding figures were 3·2 billion guilders, or 43·6 per cent of all exports. A considerably smaller share of the total import bill (1·8 billion guilders or 21 per cent) was for food and agricultural products. This was 570 million guilders less than in 1951—the first contraction in agricultural imports since 1949—and left a food and agricultural export surplus of 1·7 billion guilders, almost equivalent to the whole foreign exchange surplus in 1952. In contrast, total Dutch exports in 1952—including those of agricultural origin—covered only 94 per cent of total imports. This, however, was a marked improvement over 1951, when the proportion of imports covered by exports was only 77 per cent.

Agricultural Highlights of '52

- *Food and agricultural products constituted 44 per cent of Dutch exports in '52.*
- *Livestock and livestock products became the primary source of foreign earnings.*
- *Whole milk powder exports rose by 92 per cent during the year.*
- *United States purchased the largest share of the bulb crop.*

Setting aside such items as fish products, fertilizers and agricultural machinery (not normally considered "agricultural" for statistical purposes) an analysis of Dutch agricultural exports in 1952 shows livestock and livestock products as the primary source of foreign income and worth 1,580·3 million guilders (1951: 1,422·1 million guilders). This was followed by field crop products at 1,106·2 million guilders (1951: 1,088·2 million guilders) and horticultural products, well behind at 495·1 million guilders (1951: 473·7 million guilders).

If, however, products of foreign origin—worth 500 million guilders last year—are omitted and only domestic agricultural exports considered, the importance of livestock and livestock products in the Netherlands economy becomes doubly apparent. Their value last year was just slightly less than that of field crops and horticultural exports combined.

73503—1½

Heading the list of Dutch agricultural exports, as in other years, were dairy products, totalling 380 thousand tons and worth 832 million guilders, compared with 322 thousand tons, worth 706 million guilders, in 1951. Increased volume of exports rather than inflated prices explains the higher total values. Butter and sweetened condensed whole milk were exceptions because exports of these commodities were slightly lower than in 1951. However, higher prices more than compensated for the reduced volume.

Holland's expanding trade in condensed and evaporated milk is underlined by the fact that for the first time in Dutch experience exports by value of these products exported exceeded any other dairy exports, and totalled 263·3 million guilders (1951: 228·9 million guilders). The increase in volume was even more striking—14 per cent higher than in 1951 and 31 per cent more than in 1938. Within this category, sweetened condensed whole milk ranked first, with exports of over 111 thousand metric tons (1951: 114 thousand metric tons) worth 163 million guilders (1951: 161 million guilders). Indonesia, Malaya, Siam, Cuba, Burma and the United Kingdom were main markets, in that order. In addition, smaller shipments were spread over 100 countries and territories throughout the world.

Evaporated whole milk exports jumped from 45 thousand metric tons in 1951 to 69 thousand in 1952, valued at 52 million guilders and 80 million guilders respectively. Belgium, which took 20,000 tons (or 29 per cent) was by far the largest market, followed by Greece, Indonesia, Germany and the United Kingdom. Smaller shipments went to 81 other territories.

Butter and Milk Powder

Despite the decline in volume of butter production and exports, the export value actually increased to 257 million guilders (1951: 238 million guilders). Shipments totalled 50 thousand metric tons (1951: 54 thousand metric tons). The 8 per cent decline in export volume was largely because of smaller shipments to the United Kingdom and to East and West Germany. These were partially offset by increases in sales to France, Italy, Venezuela and Belgium. The latter, with imports of 26 thousand metric tons, retained its leading position as Holland's best butter market, a position held by the United Kingdom until 1950.

Whole milk powder exports in 1952—at 25 thousand metric tons—were 92 per cent higher than in 1951 and more than three times as great as exports in 1938. Sales were concentrated primarily in Belgium, (6,200 tons); the United States (5,600 tons); and Venezuela and Brazil (2,500 tons each). Small quantities went to a large number of markets in Europe, the Middle and Far East, Africa and South America.

Skim milk powder shipments in 1952 were more than twice as great as in 1939 and 63 per cent higher than in 1951. India and Japan were the main outlets, taking 5,400 and 2,700 tons respectively.

Meat and Poultry

The year 1952 also witnessed substantial increases in exports of meat and its by-products. Fresh, frozen and preserved meats, totalling 69 thousand tons, netted over 200 million guilders and more than half of this came from bacon exports to the United Kingdom. Canned meat


Cheese, one of the leading Dutch dairy products, is auctioned at the Alkmaar cheese market in exactly the same way as it was 200 years ago. Tourists to the Netherlands make a point of visiting this market.

exports climbed to 52 thousand tons, worth over 200 million guilders. Again the United Kingdom absorbed over 50 per cent, with the United States in second place with 9,000 tons—largely canned hams.

Poultry products exported in 1952 yielded 279 million guilders, over 85 per cent of which came from exports of 1,397 million eggs in shell, the highest number on record. Germany was again the primary export outlet and absorbed 1,100 million eggs, or 80 per cent.

Vegetable Exports

Potatoes and potato products were the major field crop exports with 646 thousand tons, valued at 162 million guilders. These figures included 125 thousand tons of potato starch, exported chiefly to West Germany and the United Kingdom. Seed potato exports were down in 1952 to 202 thousand metric tons because of smaller shipments to Spain, Yugoslavia and Brazil. This emphasized the vulnerability of Dutch exports to the vagaries of weather and crop conditions in other European countries. Belgium remained the principal market for seed potatoes but West Germany, Italy, Switzerland, Czechoslovakia and Egypt all increased their imports from Holland last year. Exports of non-seed potatoes were nearly three times the 1951 figure, with West Germany as the principal market.

Vegetables, fruit and bulbs, as in other years, were primary sources of export income. All were higher in volume than in 1951 and only fruits declined in value due to bumper crops throughout Europe. West Germany and the United Kingdom were the chief markets for fruits and vegetables and for the first time the United States supplanted the United Kingdom as the major bulb buyer.

For the first time since 1949, Netherlands agricultural imports contracted. Of the nine statistical import groups, only two showed minor increases. These were in the dairy products and livestock and meat division, the least important of Dutch agricultural imports.

Dutch Agricultural Imports

	1952	1951
	(millions of guilders)	
Coffee, tea, rice, sugar, cocoa	407	484
Fats, oils and oil seeds	293	639
Feed grains	285	297
Bread grains (including flour)	283	310
Miscellaneous (including farm machinery)	270	380
Fertilizers	123	130
Vegetables and fruit, fresh and preserved	77	78
Livestock and meats	58	56
Dairy produce	5	4
Total	1,801	2,378

Grains, as usual, were the primary imports although they decreased in both value and volume from 1951. Canada secured a larger share of the wheat and barley imports but disappeared entirely from the list of oats suppliers. Imports of rye from Canada were slightly lower than in 1951. Russian wheat, barley and oats were imported in larger volume but imports of rye from Russia were less than a quarter of the 1951 figure. The biggest import decline last year was in the fats, oils and oil seeds group.

Future Trade Prospects

With a successful year behind it, agriculture in Holland can look to the future with some misgivings but largely with confidence. Falling commodity prices, by reducing export earnings in Far Eastern countries, could put a damper on demand for Dutch dairy products. Mounting government-held stocks of dairy products in the United States are casting a shadow over traditional Dutch outlets for similar commodities. The February flood removed from production, or reduced productivity in, some of Holland's best land and will probably cut down flax, sugar beet, fodder beet and grain production in the current crop year. The rapidly expanding population absorbs an ever larger share of domestic production and more and more land is being surrendered every year to the demands of industry, housing and recreation. Many Dutch food and agricultural exports are in the luxury or semi-luxury class and are particularly vulnerable to the economic vicissitudes of Holland's customers. Commodity stockpiles will have to be replenished in 1953 and this suggests an increase in food and agricultural imports.

These are the shadows over Dutch agriculture. But there are compensating factors, such as rising productivity and the ability to compete on world markets in both quality and price. Falling import prices should mitigate the adverse effects of increased stocks on the balance of payments. With greater economic stability than at any time since the war, and fortified by its strategic position, its long tradition of entrepôt trade and its financial experience, the Netherlands can look forward to the rest of 1953 with considerable confidence. Dutch agriculture can be counted upon to play an important role in furthering last year's remarkable economic recovery.

—C. J. Small
Acting Agricultural Secretary for Canada

Wool and Its Competitors

Anxious about growing competition from synthetic fibres, Australia's wool-growers, with government support, are launching a widespread campaign to promote the use of wool.

MELBOURNE—"Australia is carried on the sheep's back", an old saying runs, and through the years the economic fortunes of the country have fluctuated with the rise and fall in the income from the wool sales.

At the moment, the demand for wool shows no signs of slackening off. However, the wool industry in Australia, remembering what rayon did to the silk market, is becoming anxious about plans being made in the United States, Britain, and other countries to increase the production of synthetic fibres. Despite assurances that "there is no substitute for wool", responsible persons in the industry are not treating the matter lightly.

Parliament Takes Steps

Concrete evidence of their concern—and the resolve to do something about the threat—is a Bill introduced into the Federal Parliament about two months ago. The Bill provides both for "improving the production and increasing the use of wool". At the same time, £A2¾ million has been transferred to the Australian Wool Board, now to be known as the "Australian Wool Bureau", to be used in promoting the use of wool. This money represents unexpended balances in various funds administered in connection with the wool industry.

The Commonwealth Government supports this vigorous wool promotion program and to ensure sufficient funds for publicity, the wool tax has been increased. At the request of Australian wool-growers, the Wool Board levy was doubled to 4/– a bale this year, which will increase the income to £A700 thousand.

The functions of the Bureau will include taking steps to improve the production of wool in Australia and to encourage research. The publicity drive is to be extended into at least 18 consumer countries, with special concentration on North America and keeping in mind the large sums which manufacturers of synthetic fibres are spending on promotion. The International Wool Secretariat, in which Australia collaborates with South Africa and New Zealand, will continue to conduct the campaign. Australia, as the principal producer, contributes two-thirds of the cost.

The Wool Board states that, although the United States topped the list of wool consumers in 1950 with 637 million pounds, its *per capita* consumption was only 4·4 pounds—tenth on the list. If the United States consumption could be increased by only half a pound per person, this would mean a market for another 80 million pounds a year.

A recent survey of the synthetic fibre industry in America, made by the Textile Economics Bureau, indicates that in the next two years production capacity for staple and tow will probably increase more than 150 per cent. Over the same period, filament yarn and monofilament capacity is expected to increase by about 43 per cent.

This would seem to mean that the future demand for wool will depend on lower prices than those prevailing today and justifies the anxiety being felt in Australian wool circles. There is no doubt that wool, like natural rubber, will always be in demand, but with synthetic fibres performing some of the functions once the exclusive property of wool, price will be the deciding factor.

In assessing the future prospects for wool, Dr. M. Lipson of the C.S.I.R.O. Textile Wool Research Laboratory, Victoria, quoted the following production figures for different fibres:

	Wool (clean basis)	Cotton	Silk	Artificial fibres	Total
			(millions of pounds)		
1920	1,780	9,850	46	33	11,709
1951	2,440	15,730	44	4,218	22,432

The points which these figures emphasize are:

- Total world production of all fibres has almost doubled in thirty years. Man's expanding textile requirements have been responsible for this huge increase. With the world's population increasing by 20 million a year, we can expect to see marked increases in production of the new synthetics to cope with growing demand. In many instances, these synthetics will be blended with wool to yield fabrics having certain advantages over those containing pure wool or synthetic fibres alone.

- Despite the huge growth of artificials (mostly rayon), there has been little decrease in silk output.

Effect on Australian Economy

The importance of wool in the economy of Australia can be seen from the effect which the amount of the wool cheque in different years has on the Commonwealth's balance of payments. For the 1950-51 selling season, the proceeds from the sale of wool were £A636·3 million, compared with £A286·6 million the previous year. Wool exports to the United States in 1950-51 amounted to just over £A115 million and changed a dollar trading deficit of £A5·5 million into a credit of £A92·7 million.

Proceeds from the 1951-52 wool sales were 51·63 per cent below those of 1950-51, at £A307·8 million, and Australia had an unfavourable trade balance of about £A377·2 million, compared with the favourable balance of £A237·9 million in 1950-51.

The price of wool in the current season is up from 5 to 10 per cent over last year and the balance of trade has improved sufficiently to warrant some lifting of import restrictions imposed last year.

Australia is not the only country awake to the increasing competition of synthetic fibres and the United States and Japanese wool industries also plan to spend a larger amount on promoting the use of wool.

—Roy W. Blake
Commercial Secretary for Canada

Britain Ends Steel Rationing

LONDON, MAY 7—Yesterday the Minister of Supply announced the end of steel control in the United Kingdom, effective immediately. This is the second time since the war that control over steel has been lifted. First introduced in 1940, steel control was removed ten years later on all forms of iron and steel, with the exception of non-alloy steel sheet and tinplate. The shortages which developed in 1951 as a result of rearmament demands and a falling-off in supplies of scrap forced the introduction of a temporary priorities scheme in June of that year. A full allocation scheme on the original basis was reimposed in February 1952 and has operated ever since. The only exception to the recent ending of controls is tinplate, which will be under a separate allocation scheme until further notice.

Outlook Encouraging

This derationing reflects the generally improved supply position that has been evident for some time. Production of 16,418,000 tons in 1952 set an all-time record. The target for 1953 is 17,500,000 ingot tons and this, coupled with anticipated imports of one million tons and full stocks in hand at present, should take care of practically all the home market needs and leave enough over to satisfy the bulk of export demands. The only shortage expected is in steel plate. A voluntary distribution scheme administered by the industry, with guidance by a government inter-departmental committee, will achieve equitable distribution.

Export Prospects

The improved supply position will also affect exports, which are expected to rise to 2·1 million tons from 1·94 million in 1952. At present United Kingdom order books for most types of steel are reasonably satisfactory. Plate shipments will be held in check, if only because of the shortage at home. On the other hand, the coming increase in United States steel output and the expected drying-up of American purchases in Western Europe may produce some soft spots in the second half of the year. Such a development would be bound to depress world steel prices.

At present United Kingdom home prices are lower than United Kingdom export prices which means that, to some extent, export sales are subsidizing home industry. Any considerable fall in world steel prices, therefore, could make an upward revision of home prices necessary. This should be possible, however, because United Kingdom home prices are now lower than those in either Europe or the United States.

—R. P. Bower
Commercial Counsellor for Canada

The Businessman's Bookshelf

The books and pamphlets reviewed briefly on these pages are selected because we feel that the Canadian importer or exporter will find them helpful. For those who wish to order them, we are including the name and address of the publisher and the price.

Four Ways of Doing an Export Business

By Derek Brooks. 10 pages. Free.

ORIGINALLY PUBLISHED in *Exporters' Digest,* these four articles have been reprinted in pamphlet form. The author takes up, in turn, four systems used in promoting exports: appointing a factory export manager; using an independent combination manager; selling abroad through export houses, and forming a subsidiary export company. He presents the advantages and disadvantages of each method and gives useful advice.

Order from: "Exporters' Digest", 170 Broadway, New York 7, N.Y.

Financing New Industries in Canada

Industrial Development Division, Department of Trade and Commerce. 20 pages. Free.

WHERE CAN A BUSINESSMAN obtain the necessary capital to launch a new Canadian enterprise? This practical little booklet answers that question succinctly. In successive chapters it discusses risk capital, loan capital (short, medium and long-term), the building, buying or renting of a plant, and financial assistance from government. There is a useful concluding note on the export of resident capital funds from sterling area countries.

Order from: Industrial Development Division, Department of Trade and Commerce, Ottawa.

International Trade Policy Issues

Foreign Commerce Department, Chamber of Commerce of the United States. 68 pages. Single copies free. 2-25 copies, 25 cents each.

IN THESE PAGES the Canadian reader will find a review of "international trade policy from the point of view of United States legislation". Prepared at the request of the U.S. Chamber by the Professor of Inter-

national Finance at the Fletcher School of Law and Diplomacy and his associates, it was intended to give Chamber members background on some of the important trade legislation now under discussion.

It begins with an outline of the Trade Agreements Act and its operation, including the "peril-point" amendment, the "serious injury" concept, etc. Succeeding chapters discuss trade policy and national security, trade policy and the domestic economy, and legislative and administrative questions. In addition to the concise information it provides, the booklet gives some indication of the attitude of an important cross-section of American business toward trade policies.

Order from: Foreign Commerce Department, Chamber of Commerce of the United States, Washington 6, D.C.

Report on Operations of the International Materials Conference, 1952-53

International Materials Conference. 54 pages. Free.

ORGANIZED IN FEBRUARY 1951 by the nations of the Free World to "examine the critical situation in essential raw materials and to propose means of meeting it", the International Materials Conference has since functioned through a Central Group and seven commodity committees. During the year March 1, 1952, to February 28, 1953, three of these committees ceased to operate but four—Copper-Zinc-Lead; Manganese-Nickel-Cobalt; Sulphur; Tungsten-Molybdenum—continued their work.

This report covers IMC's operations during its second year. Beginning with a summary of the supply position of IMC metals, it goes on to the reports of the various committees. Also included are comprehensive statistical tables on production, consumption, exports and imports, etc., of the materials under allocation.

Order from: International Materials Conference, 1625 I Street, N.W., Washington, D.C.

Canada

Barclays Bank (Canada). 15 pages. Free.

THIS SMALL BUT ATTRACTIVE BOOKLET, its sponsors tell us, "is intended to provide a thumbnail sketch of the Canadian scene as it appears to the rest of the world" and is slanted primarily towards those who are planning a business trip to Canada or those who are thinking of making their home here. It gives a brief account of our primary industries, information on climate, housing, etc. There is also a section for British exporters anxious to enter the Canadian market. An appendix gives statistics on Canadian overseas trade in 1951.

Order from: Barclays Bank (Canada), Montreal, Toronto or Vancouver.

How Italy Rebuilt Her Film Industry

A blend of realism, originality, and imaginative direction has helped to win for Italian films both artistic laurels and commercial success. Today film sales abroad are earning needed dollars.

ROME—One of the dramatic stories to come out of postwar Italy is the rebirth of the film industry and its artistic and commercial success. Last year, the industry turned out 128 feature films and 422 documentaries, compared with 50 features and no documentaries back in 1945. Today Italian films are exported to more than fifty countries. They have earned for Italy badly needed dollars and, equally important, have turned the attention of the world to her films and film-makers.

With its physical properties badly damaged during the war, the film industry went about the rehabilitation job the moment the fighting was over. Very soon it was turning out pictures. A deep understanding of the stark reality of those times and a genuine originality in picturing life in Italy brought about a new style which was named, most appropriately, realistic or neo-realistic. It had its origins in the best documentaries, in Italy's tradition of regional films, and in the French realistic school, and produced such memorable pictures as *Shoe Shine, Paisan* and *The Bicycle Thief*. These first films directed by Rossellini and De Sica were followed by many others.

Competing with Foreign Films

No direct forms of protection were adopted to safeguard the industry and actually the Government and the film industry co-operated closely without curbing free enterprise. Foreign films may be imported into Italy freely, without any limitations or reciprocity arrangements. Such protection as Italian films receive comes from two provisions:

- The refunding of 10 per cent of the excise duty on films chosen for compulsory screening. This refund is raised to 18 per cent for films with special technical and artistic qualities. Then there is a 3 per cent refund, which can be raised to 5 per cent, for documentaries and newsreels judged of outstanding quality;

- Compulsory screening of Italian films for 80 days a year and a 20 per cent refund on excise duties to cinema owners showing the films selected for compulsory screening. In addition, a special fund has been set up for loans to the producers of high-quality films.

The present cinema law has confirmed the principle of granting government prizes to outstanding productions because the proceeds from the distribution of films in Italy alone cannot guarantee the repayment of production costs. Calculating the average production cost of a film at 80 million lire, investment in the film industry in 1951 totalled about 8,000 million lire.

—International Film Distributors Ltd.

This is a scene from "Anna", one of the Italian films now showing in Canada and starring Silvana Mangano (right). Films like this have become popular in North America and have built a reputation for Italian movie-makers.

The Government has so far done several things to help the film companies.

- CINECITTA', in Rome, which was damaged by air raids and later turned into a camp for displaced persons, has been completely repaired and, with its 14 studios and relative annexes, all with modern equipment, has become one of the most important film centres in Europe.
- ENIC, another important state-owned film organization, has been reorganized and its circuit of cinemas, the biggest in Italy, has been considerably enlarged and forms the natural outlet for Italian films.
- CINES, reorganized in 1952, has resumed production of films of artistic and commercial importance.
- The Istituto Nazionale LUCE is also about to be reorganized to turn out educational, cultural and scientific films.
- Among the state-owned or state-subsidized film organizations is the Experimental Centre of Cinematography and the International Exhibition of Cinematographic Art in Venice. The Experimental Centre, the main task of which is to train young talent to become film actors or technicians, resumed its activities in 1946.

The Venice Exhibition, which also re-opened in 1946, remains the most important of its kind, despite the many exhibitions organized in other countries in recent years. Last year near the Cinema Palace, where the Exhibition takes place every September, a huge open-air arena seating about 2,000 persons was built.

The excellent equipment and the technical and industrial resources of the Italian film industry are more than sufficient for a large expansion of production. Italy now has over 100 film-producing companies and about 30 distribution organizations.

Before the war, Italian producers found it difficult to sell their films abroad. Now, after the resounding success of the first postwar films, the film industry has one of the most flourishing export businesses; between January 1, 1946, and December 1951, 3,733 Italian feature films were sold abroad.

Exports and Imports

The film export policy of the Government constantly runs into two contrasting problems: first, the obstacles which third countries put in the way of Italian exports, and second, the pressure exerted to obtain facilities for importing their films into Italy in exchange.

However it is possible, despite all obstacles, to sell Italian films abroad because of their excellence. It is difficult, however, to satisfy foreign producers' demands for an exchange because often these foreign films do not succeed in gaining a commercial foothold in Italy despite the fact that Italy places no great barriers in their way and even tries to help them. Occasionally these films are even exempted from the compulsory deposit of 2,500,000 lire for the dubbing permit. In 1950, for example, 539 foreign films were granted import permits and in 1951, some 342. Of this latter number, 230 came from the United States, 43 from France, and 18 from the United Kingdom.

Immediately after the war, the Italian market, not adequately supplied by national production, was invaded by foreign films (particularly American) not shown in Italy during the war years. This flood of foreign films was favoured by the progressive increase in the size of the Italian market. The number of cinemas rose from 5,236 in 1942 to over 12,000 in 1951 and box office takings from 13,639 million lire in 1946 to over 70,000 million lire in 1951.

For a number of reasons, imports began to decline in 1949. The war stock of films was exhausted, audiences had new preferences, Italian films had become more popular, and the Acts of July and December 1949 had come into force. These Acts levied a special charge on the distribution of foreign films (compulsory deposit of 2,500,000 lire for dubbing) and also laid down new rules for the production and distribution of Italian films. These included an increase in prizes to producers, a screening quota, a special control system and sanctions against those who failed to observe it, and prizes to cinema owners for the screening of Italian films. In 1951, imports fell to almost half those of 1949.

Agreements with Other Countries

Special agreements were gradually drawn up with several of the most important film-producing countries. The most complete at present in force is the one with France, which provides, among other things, for the co-production of films in dual language—Italian and French. Similar agreements are being discussed with the United Kingdom, Western Germany, Spain, Argentina, etc. Special exchange agreements are in force with Germany (quotas of 30 dubbed films both ways), Austria (25 dubbed films and a special film clearing account for payments) and the United Kingdom (guaranteeing among other things the possibility of distributing dubbed Italian films to the big British circuits).

The most important agreement, both financially and economically, is the one with the U.S. film industry. Because the proceeds accruing to foreign firms for the distribution of their films in Italy have to be paid, in the absence of specific payment agreements between the countries, into untransferable accounts (which are used for special purposes related to Italian film production and exports) very large sums have accumulated in the United States account. In order to prevent too large an accumulation of such sums and achieve a suitable balance between imports and the opportunities of exporting Italian films to the U.S., the agreement provides for the spending of certain sums to finance the launching of Italian films on the U.S. market (dubbing expenses, editing and advertising) in exchange for the unfreezing of part of the accounts. Some of the money is also being spent to produce U.S. films in Italy. Furthermore, the United States film-producing companies have undertaken to limit the number of films they dub in Italian.

Exports have increased consistently since 1946, as the following table —giving the export permits granted to films going to 18 different countries between 1946 and 1951—illustrates.

EXPORT PERMITS GRANTED FOR ITALIAN FILMS

Countries	1946	1947	1948	1949	1950	1951
Austria	...	3	2	...	8	32
Belgium	16	7	23	31	29	36
Brazil	16	11	81	69	42	38
Canada	...	...	13	1	5	20
Cyprus	...	...	...	10	8	25
Egypt	2	45	122	76	66	45
France	13	42	56	40	56	49
Western Germany	...	...	2	23	16	50
Greece	...	9	38	47	33	21
Holland	8	13	17	29	28	22
Luxembourg	...	...	11	...	4	31
Malta	6	...	...	9	188	51
Mexico	...	9	2	16	10	22
Portugal	4	10	14	14	30	25
Spain	13	14	40	11	6	17
Switzerland	23	28	75	52	53	74
Turkey	...	19	15	10	7	29
U.S.A.	11	53	42	37	36	69
Venezuela	...	1	...	...	9	18
Total (including those not listed)	121	354	807	644	849	948

In addition to those listed above, Italian films went to at least 28 other countries in 1951.

The Commonwealth, including Canada, remains a difficult market because of the need for an English sound track. In the East, however, Italian production is gaining a foothold. Some films exported to the United States are later distributed also in Canada.

The Dutch, Portuguese and Swiss markets are increasingly profitable and exports to the United States provide, thanks to the agreement mentioned above, a valuable source of foreign exchange. In the USSR, Italian films ranked third among 1951 imports.

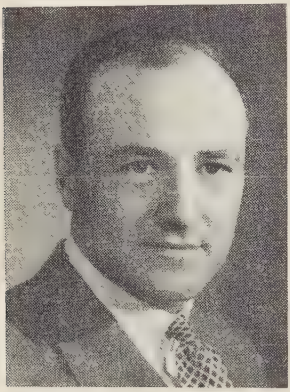
The item "films" is now included in all Italian trade agreements with foreign countries and their economic, cultural and political importance is constantly increasing, thanks to their remarkable artistic qualities.

—Shirley G. MacDonald
Commercial Counsellor for Canada

New Appointments Announced

THE AGRICULTURE AND FISHERIES BRANCH of the Foreign Trade Service has recently made two changes in the organization of its senior personnel. These changes are designed to strengthen the trade promotion and foreign reporting services of the Branch in the interests of producers and exporters of Canada's farm and fisheries products.

Appointed Chief, Grain Division



Mr. G. N. Vogel, formerly Assistant Director (Wheat and Grain) of the Branch, who has been acting head of the Division since Dr. C. F. Wilson was posted to our Rome office as Agricultural Counsellor in August 1952, has been appointed Chief, Grain Division, Agriculture and Fisheries Branch.

The Grain Division (formerly known as the Wheat and Grain Division) of the Department's Foreign Trade Service is largely concerned with Canada's export trade in wheat, coarse grains and flour. It maintains close co-operation with the Canadian Wheat Board and the Canadian flour millers and their association on the one hand, and with the Canadian Trade Commissioner Service on the other hand, in promoting trade in these commodities.

Mr. Vogel's appointment to this important position derives from his ability and his wide knowledge of the problems in marketing grain and flour.

Becomes Assistant Director

Mr. W. B. McCullough has recently been appointed Assistant Director, after spending twelve years abroad as Agricultural Secretary, mainly in the Canadian Embassy in Buenos Aires. Mr. McCullough has done effective work in the Argentine and Uruguay, particularly in assisting Canada's seed potato exporters with their marketing problems in those countries. He has become intimately acquainted with all phases of production and marketing in that area of South America.

Mr. McCullough's reports on livestock and crops have been outstanding examples of the contributions on foreign economic developments which our Trade Commissioner Service sends in. It is appropriate, therefore, that he will devote much of his time to developing this foreign agricultural reporting service further.

The Irish Linen Industry

Linen must meet the challenge of newer and cheaper textiles, if this long-established Irish industry is to survive and prosper.

BELFAST—The Irish linen industry—that is, the processing, spinning and weaving of flax—owes its concentration in this area partly to favourable climatic conditions and partly to the skill inherited from Huguenot weavers who settled here in the seventeenth century. The industry reached its zenith in the early 1900's, when up to 232 million sq. yd. of linen cloth were exported every year. In 1952 linen cloth shipped to overseas markets was estimated at only 36·9 million sq. yd. The impact of two world wars, fluctuating market conditions, changes in fashion, the substitution of other fabrics for linen in household goods and apparel, and the development of new synthetic materials have all contributed to this decline and to the present difficulties of the industry.

War Increased Difficulties

The 1914-18 war and its aftermath marked the beginnings of recession. A large part of the continental market for fine linen was wiped out and outlets in the United States and Central and South America were affected by the economic depression of the twenties, high tariffs, and internal crisis. Trade with these countries fell drastically and although it recovered a bit between the two wars, it never regained its earlier volume. The Second World War disrupted overseas markets still further and in the postwar period, import controls and tariff barriers closed many traditional markets. During the past eighteen months, sales in Australia and Brazil have also fallen off.

With the lessening demand for linen, manufacturers were compelled to turn to other textiles to keep their factories in production. Cotton weaving had been practised in many mills as an aid in reducing overhead costs, particularly during slack seasons. After the First World War, linen almost disappeared from the shirtmaking industry and handkerchief manufacturers had to turn to cotton for a substantial proportion of their output.

The Synthetics Arrive

The early 1930's marked the introduction of synthetic materials. Many manufacturers extended their production to the making of rayon by minor adaptations of yarn spindles and looms. This was only a temporary expedient, however, and recently textile machinists have developed new and more suitable plant for rayon spinning. Many problems have still to be overcome but a gradually widening range of good-quality cloth is now being produced.

In 1935, 97 per cent of all cloth manufactured by the linen industry was linen or a mixture of linen and cotton (union). In 1949 the percentages were: linen and union, 56·6; rayon cloth, 29·5; cotton and cotton-

rayon, 13·2; other materials, 0·7 per cent. The price of flax, once relatively low both at home and abroad, has increased greatly and, with the higher level of wages and other costs, has put linen goods, in comparison with rayon and cotton, into the luxury class, and thus decreased their selling power and appeal.

The Challenge

These difficulties, and the present high rate of unemployment among textile workers generally, have led to suggestions that the linen industry should be made the subject of a special government inquiry. Many industrialists feel, however, that new uses will be found for linen; that lower costs and improved production (and research on this is constantly going on) will radically alter the whole market situation; and that rather than bewail the loss of markets and changes in public taste, new openings for linen must be sought and found. The future of the industry depends on a realistic approach to the present-day problems of world trade.

In line with this thinking, the Irish Linen Guild will spend £131 thousand on publicity in the coming year—£100 thousand in the United States, £19 thousand in Latin America, and £12 thousand in Canada. Moreover, the Guild is conducting a special Coronation year promotion campaign in the home market with displays of Irish linen featured in some of the large London stores.

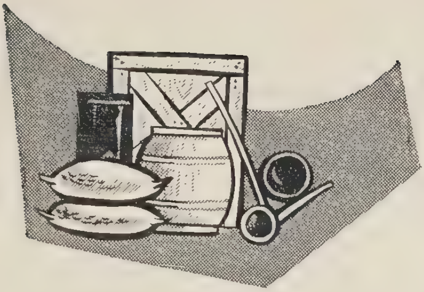
The Irish Linen Guild is an organization devoted to the promotion of linen sales. It is financed by the various branches of the linen industry and by a grant from the Northern Ireland Government which, for the coming year, will amount to £60 thousand.

—E. Roy
Office of the Canadian Government Trade Commissioner

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.



COMMODITY NOTES

BRAZIL

Iron and Steel—Official statistics show that in 1952 the government-controlled Cia. Vale do Rio Doce mined 1,794,870 tons of iron ore, 480 thousand tons more than in 1951. Exports also increased, from 1,274,000 tons, worth US$12·6 million, in 1951, to 1,507,000 tons, worth US$23·6 million, in 1952. Preliminary figures indicate that the Volta Redonda plant of the Cia. Siderurgica Nacional produced 360 thousand tons of rolled steel products in 1952, compared with 343 thousand tons in 1951—Rio de Janeiro, April 16.

COLOMBIA

Wheat—Colombia's wheat production for 1952 was 140 thousand tons. This was augmented by imports of foreign wheat and flour of 26,391 and 19,646 tons respectively. Because of pressure from local producers, the Government prohibited foreign imports on November 17, 1952, until domestic stocks were materially reduced.

Now, as a result of a meeting between the National Millers' Association and the producers, an agreement has been reached whereby the country's current needs are recognized as 170-180 thousand tons a year, and a joint memorandum has been forwarded to the Government recommending: (*a*) the complete prohibition of flour imports, and (*b*) permission to import 20 thousand tons of hard wheat in 1952 for the coastal cities outside the wheat-growing belt, and 10 thousand tons for the millers in the interior—Bogotá, April 23.

FRANCE

Pitprops—French pitprops have traditionally been exported to Wales. Except for some shipments to French North Africa during exceptional periods, England has always taken practically the whole of the French exports. The tonnage exported to Wales during the prewar period increased progressively from about 150 thousand tons in 1933 to over 600 thousand tons during the first year of the war. The postwar period shows a reduction in exports of pitprops, from 122 thousand tons in 1951 to 1,739 tons in 1952.

The sharp decline and near suspension of exports of this product after the war was due mainly to the fact that England did not classify pitprops as a priority item during Franco-British accords. On the other hand France, fearing a shortage in meeting domestic demand during that same period, became an importer of pitprops.

After more than a year's suspension, a contract has been signed between the two countries for the delivery of 25 thousand tons of pitprops to Wales. This new contract apparently will come into effect during the next three months. It is hoped that a prorogation of this agreement will permit similar orders quarterly during the rest of the year—Paris, April 27.

INDONESIA

Rice—The Indonesian Minister for Agriculture expects that rice production this year will increase by about 350 thousand tons. As a result, Indonesia would have to import only 400 thousand tons, as against 600 thousand tons last year. The country needs about seven million tons of rice a year and the failure to meet increasing needs is the country's most serious economic problem. As a long-term project the Government is spending R.2,000 million to develop agricultural resources in the Kalimantan area of Borneo, with the assistance of experts from the United States Technical Co-operation Administration and the Food and Agriculture Organization of the UN—Singapore, April 13.

MEXICO

Cotton—Mexican cotton growers expect a record crop of 1·5 million bales this year. The area sown to cotton totals about 400 thousand hectares (one million acres), as against the 250 thousand hectares sown last year. Northern growers say that unseasonable rainfall last November and December improved the soil, and prospects for the 1953-54 crop are better than in any year since 1948—Mexico, D.F., April 23.

NETHERLANDS

Tea—In response to higher retail prices for tea, Amsterdam tea auction prices rose on April 9 when offerings comprised 4,244 chests of Java tea and 1,430 chests of Sumatra tea. Superior grades brought prices of 1.90-2.35 guilders per half kg., (previous auction 1.90-2.30 guilders). Medium grades remained unchanged at 1.70-1.85 guilders per half kg., and ordinary grades rose to 1.51-1.70 guilders (previous auction 1.40-1.70 guilders)—The Hague, April 28.

SOUTH AFRICA

Maize—The maize crop, it is expected, will exceed last year's crop by about 10 million bags. According to the latest official estimates of the Division of Economics and Markets, the crop this year will total 30,978,000 bags (200 lb.) in comparison with 20,643,000 bags last year. If this estimate is accurate, the crop will be exceeded only by the record crop of 1948 of 32,119,000 bags. At the present fixed price of 32s. a bag, the present crop will, however, realize the record value of about £50 million. South Africa's maize consumption is about 26 million bags a year and the surplus of nearly 5 million bags will be carried forward—Johannesburg, April 17.

Sweden's Wallboard Industry

Today Sweden ranks second among world wallboard producers; but her sales dropped sharply last year because of restrictions in some markets.

STOCKHOLM—Sweden has become the world's second largest wallboard producer, ranking next to the United States, and in 1951 produced over 13 per cent of the total world output. Since 1945 when production began to rise, the capacity of the industry has increased from approximately 230 thousand tons to today's figure of 400 thousand tons a year. Domestic consumption has doubled since 1937 and is now about 140 thousand tons a year. However, during recent years the production increase has largely been absorbed by greater exports.

Exports Fall

Last year the wallboard industry had considerable difficulty in selling its product. British purchases decreased by 50 per cent as compared with 1951, when the U.K. bought over 46 per cent of Sweden's total wallboard exports. Exports to Australia decreased to one-sixth of the 1951 figure. United States purchases, which were exceptionally large in 1951, dropped to almost nothing. The decline in these principal markets has been only partly compensated by larger sales to other countries, and total exports in 1952 were only approximately 105,400 tons, as against 180 thousand in 1951.

Wallboard Production and Exports

(thousands of tons)

Year	Total Production	Total Exports	Percentage Exported
1938	81·4	22·3	27·4
1939	123·9	43·3	35·0
1940	78·5	22·2	28·2
1941	88·9	17·0	19·1
1942	108·1	12·9	11·9
1943	88·2	5·7	6·5
1944	126·1	10·1	8·0
1945	161·7	16·9	10·5
1946	227·9	69·5	30·5
1947	234·6	73·6	31·3
1948	248·0	97·3	39·2
1949	228·5	96·4	42·2
1950	279·5	138·5	49·6
1951	328·5	180·3	54·9
1952*	227·0	105·4	45·6

* 1952 figures are preliminary.

The deterioration in the export market in 1952 has curtailed operations. On an average, the wallboard industry has worked to only 60 per cent of its total capacity, surplus labour being used for other lines of production. Export prices have fallen 25 to 30 per cent since the summer of 1951, when the peak was reached.

Production began some five months ago in the new 15-thousand-ton wallboard factory at Vrena. The factory is 535 feet long and is equipped with six defibrators, a high-pressure press, and a combined

humidifying and heat-hardening plant. The hydraulic press can take 4 by 18 foot boards in charges of 24 sheets; the press plates are heated by super-heated water of 200 degrees Centrigrade. The automatic steam plant, said to be the first of its kind in Sweden, can use either oil or solid fuel and needs only two men to operate and supervise it. Production will be mainly of hardwood fibre boards to be sold under the name of "Holmenboard".

Swedish industrial circles feel that, on a long-term basis, the demand for wallboard will increase. They point out that present market difficulties are not the result of non-competitive production but of import and building restrictions in several of their markets.

—E. M. Partridge
Office of the Commercial Counsellor for Canada

TRADE COMMISSIONERS ON TOUR

To familiarize themselves with conditions in this country and the special requirements of businessmen, Canadian Trade Commissioners return to Canada periodically. Exporters and importers are invited to discuss with the Trade Commissioner the markets and sources of supply in his territory.

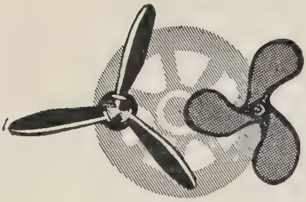
C. M. Croft, Commercial Counsellor for Canada in Sydney, Australia, began a tour of Canada in Vancouver on May 8. His itinerary follows:

Ottawa—May 24-30
Toronto—June 5-17
St. Catharines—June 18-19
Hamilton—June 20-23
Windsor—June 24-25

M. T. Stewart, Commercial Counsellor for Canada in Mexico City, began the second part of his Canadian tour in Windsor and Walkerville on May 4. His itinerary follows:

Ottawa—May 18-22
Toronto—May 25-June 6
Montreal—June 8-20
Quebec—June 22
Saint John—June 25-26
Halifax—June 29-30

Businessmen may get in touch with these officers through the Board of Trade in Montreal, Quebec, Saint John and Halifax; the Chamber of Commerce in Windsor, St. Catharines and Hamilton; the Canadian Manufacturers Association in Toronto, and the Department of Trade and Commerce in Ottawa.



TRANSPORTATION NOTES

FRANCE

Railway Equipment—French production of railway equipment declined in 1952. The average monthly tonnage built last year was 7,310 tons, against 8,110 tons in 1951. This reduction is mainly the result of a decrease in the construction of freight cars and passenger coaches.

Exports of this type of equipment also dropped in 1952. The average monthly tonnage exported amounted to 6,625 tons as compared with 11,470 tons in 1951—Paris, April 28.

JAMAICA

New Airfields—A new airfield is proposed at Boscobel in the parish of St. Mary, and an old airstrip at Braco in Trelawny will be reconditioned. These improved facilities will encourage internal plane services and benefit the tourist trade on the north coast of Jamaica. The Braco field was constructed during the war by the United States authorities—Kingston, April 20.

JAPAN

Freight Agreement Abolished on Ten Items—The Trans-Pacific Freight Conference of Japan, at a meeting in Tokyo, voted to declare rates on ten tariff items open from midnight on March 11, subject to the tariff rule covering booking period of not more than 60 days in advance. The Japan-Atlantic and Gulf Freight Conference took similar action. The items on which freight agreement has been abolished by the two conferences are artificial flowers, bamboo ware, canned goods, iron and steel products, novelties, steel pipe and oilwell casings, porcelain ware, toys, wooden ware, and Christmas ornaments —Tokyo, April 16.

UNITED STATES

Inland Waterways—The U.S. Army Corps of Engineers reports that the traffic on the inland waterways is growing every year. Inland freight loadings in 1951 totalled 325,433,581 tons, compared with 297,696,209 in 1950. This inland freight is of the greatest importance to the port of New Orleans, which ranks second among American ports in dollar value of exports and imports and is the receiving centre of the Mississippi Valley River System. In 1951, the domestic barge traffic overtook the combined tonnage of foreign and coastal commerce. That year, 51 per cent of the total tonnage (19,464,500 tons) handled by the port was moved in barges on the Mississippi River and the gulf intra-coastal waterway and its connecting channels—New Orleans, May 4.

United States

Locker Plants for Frozen Foods

Technical advances in frozen food processing, new equipment, and better design have sparked a big increase in the number of locker plants, especially in rural areas.

WASHINGTON—One of the more spectacular developments in the storing and processing of food since the late 1930's has been the rapid growth in frozen food locker plants, especially in the rural areas. Back in 1938, there were only 1,269 in operation in the United States; by 1950, this had jumped to 11,596, with plants reported in every state. After 1950, a few inefficient plants ceased to operate and on July 1, 1952, the total stood at 11,427.

As early as 1917, locker plants for frozen foods began to appear but not until the thirties were plants designed to offer modern services actually constructed. They appeared more commonly in the rural areas, where they served producers who grew their own products—and this still holds true. City dwellers make less use of locker plants—perhaps because many of them have their own home freezers.

The first locker plants provided frozen storage only but now most plants have facilities for slaughtering livestock, the curing, grinding, and wrapping of meat, and the dressing of poultry, as well as for the manufacture of edible and inedible by-products.

Freezing Methods Improve

One of the main reasons for changes in design and scale was the consumer's recognition of the higher-quality products which have resulted from advances in freezing methods. More sanitary processing and freezing, improvements in refrigeration especially adapted to small-scale units, advances in automatic controls, and the development of relatively small-scale compressors have also contributed to these desirable changes. Recently a pea and bean sheller and corn cutter were placed on the market. These are designed primarily for locker plants and community canning. Scalding equipment, hand tools and mechanical aids such as slicers and pitters have been designed to simplify preparation of the food for storing.

Other Services Offered

As the number of home freezers has increased, the tendency in recent years has been for locker plants near large towns to buy carcasses of meat and sell the meat by the quarter, half, or whole to owners of home

freezers or to locker renters. The locker operator cuts and wraps the different cuts for his patrons. Although plant operators usually charge a small handling fee, most of the income from this type of operation comes from charges for cutting, wrapping and freezing. Many locker plants buy poultry and commercially processed foods and sell them at some discount to owners of home freezers. In fact, they derive a large part of their income from this type of business. Some plants engage entirely in this operation and do not rent locker space.

In 1952, beef, pork, lamb and poultry represented about 93 per cent of the products processed and stored in food locker plants. The remaining 7 per cent was fruits and vegetables.

Methods Used

The technology of freezing is practically the same for different sizes and types of locker plants. Plants differ, however, in the way in which operators and space are organized, in management practices, and in the services offered. Cost-volume relationships of locker plants vary according to size or capacity of the plant in terms of the number of lockers, degree to which capacity is utilized, ratio of locker space to total space, time period, the number of years the plant has been in operation, and the number and variety of services offered. Studies which will be made in the future will undoubtedly take all of these factors into account and the results will provide locker plant operators with a basis for comparing their operations with those of other plants.

Effect on Meat Marketing

From a national viewpoint, local locker plants apparently have not affected commercial marketing of meat products to any significant extent. A recent study makes the following comment: "Meat obtained from slaughter for storage in frozen food lockers is estimated to be equivalent to about 6 per cent of all meat produced by commercial slaughter. The bulk of this amount represents meat that, in the absence of locker plants, would not have been produced by commercial slaughter, but would have been obtained from farm slaughter for home use by farmers. Locker plants have made it possible to shift storage of meat on the farm (as fresh, cured, canned, and smoked meats) to central freezer storages and have likewise enabled farmers around numerous plants to dispense with farm slaughter in favour of slaughter at the locker plant. Such operations in themselves have not lessened to any significant extent the normal volume of livestock flowing into commercial livestock and meat distribution channels. There is some diversion, to the extent that larger numbers of animals are locally killed and processed than before locker plants provided such service and that urban locker renters procured their meat from this source. Such diversion, however, has been very small."

—W. C. Hopper
Agricultural Counsellor for Canada

GENERAL NOTES

GREECE

Industrial Production Declines—The average index of industrial production compiled by the Federation of Greek Industries showed a slight decline during 1952—124 (1939=100) as compared with 125 in 1951. The index of industrial production, excluding electric power production, was still lower—111 as compared with 114 in the previous year. The group of industries for which the index declined are: textiles, 117 (124 in 1951); foodstuffs, 112 (114); chemicals, 98 (110); paper, 121 (130); wearing apparel, 46 (51); woodworking, 74 (83); and electrical household appliances, 149 (152). On the other hand, advances were made in the metallurgical industry, 170 (140); metal-working, 99·5 (98); building materials, 153·5 (127); leather tanning, 100 (84), and electric power production and distribution, 256 (240). The index for the cigarette industry, at 167, was unchanged—Athens, April 30.

JAPAN

Shares May Be Bought with Sterling—Foreign investors are now permitted to acquire Japanese shares in pounds sterling. Previously, foreign investors were only allowed to acquire Japanese shares with United States dollars. The former restriction limiting the shares to 5 per cent of the total remains in effect—Tokyo, April 30.

MALAYA

Desiccated Coconut Industry—The Malayan Government is investigating the possibility of starting a desiccated coconut industry, in co-operation with the Rural Industrial and Development Authority. There is considerable wastage in the use of coconuts; copra and coconut oil are the only two industries based on this product. There is no domestic market for desiccated coconut and, therefore, a study of overseas demand is being made. If potential markets and costs of production seem promising, a plant costing Malayan $200 thousand will be built with public money—Singapore, April 15.

NEW ZEALAND

Balance of Payments—For the second time this year New Zealand had a surplus in overseas trading account in February. The favourable balance for January was £N.Z.6,654,000 and for February £N.Z.14,-992,000, a total of £N.Z.21,646,000. This goes a long way towards

wiping out the total deficit of £N.Z.3,441,000 for 1952. January 1952 showed a deficit almost equal to this year's surplus, while the surplus for February is thirteen times that for February last year—Wellington, April 12.

NIGERIA

Economic Survey—The International Bank for Reconstruction and Development has sent an exploratory mission to Nigeria to prepare for an economic survey. The mission is made up of two economists, an industrial engineer and an agricultural adviser. The terms of reference of the economic survey team which will follow are to be drawn up by the exploratory mission, which arrived in Lagos early in May—London, May 7.

SOUTH AFRICA

Imports and Exports—During the first two months of this year the Union's imports fell but its exports rose, as compared with the figures for the first two months of 1952. Total imports for January-February of this year amounted to £65 million, as against £77 million for the corresponding two months last year. Total exports for January-February this year amounted to £57 million as against £54 million for the same two months of 1952—Johannesburg, April 24.

SOUTHERN RHODESIA

Adverse Trade Balance—Southern Rhodesia ended 1952 with an adverse trade balance of £27 million, about £7 million less than at the end of 1951, according to a bulletin issued by the Central African Statistical Office. Records for both imports and exports were broken. Imports were valued at £88,475,000 and exports at £61,237,000. An encouraging feature of the external trade figures was the comparatively large expansion in the value of exports, accompanied by a more moderate increase in the value of imports—Johannesburg, April 24.

UNITED STATES

Newsprint from Bagasse—Lockport, Louisiana, may have the first U.S. plant to manufacture newsprint and pulp from bagasse or sugar cane waste fibre.

Plans are complete for the Valentine Pulp and Paper Co. to erect a $2,633,000 plant capable of producing 17,250 tons a year. Part of this tonnage would be in dissolving pulp for rayon, cellophane and plastics. The plan was given an important boost when the Defense Production Administration granted a certificate of necessity to write off 45 per cent of the cost of construction over five years.

Louisiana, which produces 90 per cent of the sugar in the United States, is the natural home for this new venture. It is estimated that within a hundred miles of the plant there is a potential annual supply of 200 thousand tons of bagasse. The state's total production is about 750 thousand tons. The new plant will consume an estimated 36 thousand tons of bagasse to make 17,250 tons of pulp and paper—New Orleans, May 4.

Credit Conditions in Asia and the Middle East

Instability in many areas complicates trading with the Asiatic world and makes it imperative that exporters study the credit standing of buyers before shipping goods.

THE FARTHER EAST the export market lies, the more troublesome the credit problem—experience seems to support this general statement. The Middle East is a more risky trading area than Europe, and the Far East presents even more uncertainties and difficulties for the exporter, largely because of unstable political conditions. Trading with the Asiatic world has its peculiar problems and characteristics, but the specific credit conditions vary considerably from country to country within this area.

Common Characteristics

By modern western standards, Asia and the Middle East are underdeveloped areas. From a credit standpoint, this means that there are relatively few buyers in each country with sufficient means to rank as dependable accounts. Economically it means that the transportation facilities, credit and services offered by the banking system are not organized on a big enough scale to allow delivery of goods or collection of accounts without delays. And delays increase the uncertainties and the risks of trade. Monetary, political and social conditions too are more or less unstable. Against this background, the credit standing of the individual buyer is of paramount importance. Consequently it has become the normal practice to sell to these markets against Letters of Credit, and only in exceptional cases to ship on draft payments of restricted terms.

Government Controls

All these countries have government trade controls of one type or another. The more westernized, better organized and more politically stable countries have the more comprehensive and rigidly enforced systems of import and exchange controls. Japan, the Philippines, and Israel all control the admission of imports closely and regulate the release of foreign exchange in conformity with some form of exchange budget. Indonesia and Egypt have devised highly restrictive import control systems, with exchange available through somewhat complex arrangements rather than by automatic allocation. Iraq, Syria, Lebanon, Arábia and Thailand all enforce import controls without officially channelled foreign exchange for most imports and thus the resources of the buyer and his

ability to procure the necessary exchange are the foremost considerations. Burma, Indo-China and Jordan are so impoverished and short of foreign exchange that trade by individual importers is not flourishing. Iran, now minus her oil earnings, has qualified for inclusion in this group.

The shadow of uncertainty that hangs over the Far East and trading there is more political than economic. Communism has cut off mainland China from the commercial world at large and by its inroads into Indo-China has hindered that country as a sound market. Burma is troubled by internal strife and the threat of Chinese invasion, while even Thailand, unique for her quiet prosperity and exchange sufficiency, stands in danger. Political instability and government policies in Indonesia have undermined that country's credit position. Japan and the Philippines, and to a lesser extent Taiwan, thanks to United States support, and by grace of more stable political conditions, not only boast a better credit status but have more dollars. In the Middle East, Israel and Jordan avoid bankruptcy by a political stability that gives confidence to subsidizing friends abroad. The highly charged political centres are Iran and Egypt, with insecurity increasing in the former and decreasing in the latter. Elsewhere in the Middle East the fairly frequent political upsets seem to have very little adverse effect on commerce, but in these countries the traders are more on their own.

Record of Experience

The Export Credits Insurance Corporation has had experience with exports and collections in most of these eastern countries but only on a comparatively limited scale, because much of this trade is financed by Letters of Credit. Generally, this credit experience has been favourable, but in that case insured exporters and the Corporation itself have exercised constant watchfulness over the credit standing of buyers in these rather hazardous markets.

EXPERIENCE IN 1952—PROSPECTS IN 1953

Country	Exchange Position	1952 Business and Credit Conditions	Change during Year	1953 Prospects
Arabia	Good	Good	Improvement	Good
Burma	Difficult	Difficult	No change	Uncertain
China	Difficult	Fair	No change	Uncertain
Egypt	Difficult	Difficult	Weaker	Better
Indonesia	Fair	Fair	Slightly weaker	Fair
Indo-China	Difficult	Difficult	Weaker	Difficult
Iran	Difficult	Difficult	Little change	Uncertain
Iraq	Fair	Good	Improvement	Good
Israel	Difficult	Good	No change	Difficult
Japan	Fair	Fair	Weaker	Uncertain
Jordan	Difficult	Difficult	Weaker	Difficult
Lebanon	Fair	Fair	No change	Fair
Philippines	Fair	Fair	Slightly weaker	Fair
Syria	Fair	Fair	No change	Fair
Taiwan	Manageable	Fair	Improvement	Fair
Thailand	Good	Good	Slightly weaker	Satisfactory

TRADE AND TARIFF REGULATIONS

AUSTRIA

Currency Devalued—Effective May 4, Austria devalued the schilling rate applicable to payments for exports and imports from 21·36 to 26 to one United States dollar. An Austrian currency reform in October, 1950, which had made the rate of 21·36 schillings to one dollar applicable to all payments relating to foreign trade, also retained a premium rate of 26 schillings to the dollar for such purposes as travel and financial remittances.

Under the new system, rate of 26 schillings to one United States dollar applies to all transactions. The corresponding exchange rate of the schilling in terms of Canadian currency is about 3·831 cents.

GREECE

Customs Duties Revised—Effective April 29, Greece increased all specific customs duties by one-third by raising the "additional coefficient" for tariff conversion from 225 to 300. This step was motivated by the devaluation of the Greek currency on April 10. As the devaluation amounts to 50 per cent, the tariff increase of 33⅓ per cent leaves the incidence of specific duties considerably lower than before devaluation.

On a small list of essential items, including wheat, cod, herring, cheese and frozen beef, the effect of this increase was almost entirely eliminated by a reduction in the basic tariff structure.

The commodities shown in the following table illustrate the results of the devaluation and of the subsequent changes in specific most-favoured-nation customs duties which apply to imports into Greece from Canada and from most other important trading nations. In the case of essential goods of interest to Canada, such as wheat, cod, herring, beef and cheese, special reductions are provided:

	Duty in '000 drachmas per 100 kg.		Equivalent in dollars per 100 lb.	
Commodity	Pre-devaluation	Present	Pre-devaluation	Present
Aluminum, primary...	45	60	1·35	·90
Spectacles and lenses..	2,430	3,240	72·75	48·50
Wheat	11·8	12·6	·35	·19
			(bushel ·21	·11)
Cod, dried and salted and herring	9·9	10·8	·30	·16
Frozen beef	67·5	72	2·02	1·08
Cheese, hard, in loaves	50·6	54	1·52	·81

Ad valorem duties, which apply to relatively few imports into Greece, are now based on the new exchange rate of 30 thousand drachmas to the United States dollar and thus reflect the full amount of devaluation. However, the duty on sulphamides, antibiotics and

vitamins was reduced from 6 to 3 per cent ad valorem in order to keep the net duty chargeable on these drugs at the old level—Athens, April 29.

Exporters may obtain information on Greek rates of duty on individual commodities under the new system from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

IRELAND

Import Customs Duty on Paper—The Government has restored, effective April 17, 1953, the import customs duty mentioned at Irish Tariff Ref. No. 168/5 on imitation parchment paper, and has extended the scope of the duty mentioned at Irish Tariff Ref. No. 169/5 on unprinted paper. The current ad valorem rates are under Tariff Item No. 168/5—Canada and United Kingdom, 33⅓ per cent; all other countries, 50 per cent; under Tariff Item No. 169/5—Canada and United Kingdom, 28⅓ per cent; all other countries, 45 per cent. A basic revenue duty of 5 per cent is also applicable in addition to the above.

A special licensing provision exists whereby newsprint intended for use in the printing of newspapers, periodicals, etc., may be imported free of all duty.

There is also a duty free licensing provision applicable in the case of Item No. 168/5—Dublin, April 30.

Valuation of Imported Goods—The Revenue Commissioners, Republic of Ireland, have issued new regulations regarding the valuation for duty purposes of imported goods. From June 1, any person making entry for imported goods on which duty is chargeable by reference to their value may be required by the Commissioners to produce a declaration made by the importer giving particulars necessary for a proper valuation of the goods. Customs officers will also be empowered to demand the production of account books or other documents in connection with the valuation of imported goods.

Briefly, the value of imported goods is the price the goods would fetch at the place of importation on a sale in the open market at the time when they are entered for home consumption (or, if they are not so entered, at the time of importation). Freight, insurance, commission, and all other costs, charges and expenses incidental to the sale of the goods and their delivery at the port or place of importation (except any duty chargeable) are included in the value.

NEW ZEALAND

Dollar Import Licences—The New Zealand Department of Customs has announced that the existing allocation in respect of artificers' tools of the approved types from Canada or from the United States is increased from 50 per cent of 1951 licences to 66⅔ of 1951 licences.

Details of the approved artificers' tools may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·0041.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. May 8*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1327	
		Basic buying	·1992	(1)
		Preferential selling	·1992	
		Basic selling	·1327	
		Free	·07169	
Austria	Schilling		·03831	
Australia	Pound		2·2415	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01999	
Bolivia	Boliviano	Official	·01660	tax 5% (1)
		Differential	·00991	tax 3% 2
British West Indies	Dollar		·5837	(3)
	Pound		2·8019	(4)
	Dollar	Brit. Honduras	·7004	
Brazil	Cruzeiro	Official	·05383	tax 8% (2)
		Free	·02268	
Burma	Kyat		·2101	
Ceylon	Rupee		·2101	
Chile	Peso	Official	·03207	(1)
		Commercial	·01658	
		Free	·00905	
Colombia	Peso	Basic	·3984	tax 3% (2)
		Coffee buying	·4296	
Costa Rica	Colon	Official	·1774	(5)
		Free	·1482	*April 15
Cuba	Peso		·9959	tax 2%
Czechoslovakia	Koruna		·01992	
Denmark	Krone		·1442	
Dominican Republic	Peso		·9959	
Ecuador	Sucre	Official	·06640	(6)
		Free	·05764	
Egypt	Pound		2·8599	
Fiji	Pound		2·5242	
Finland	Markka		·00433	
France	Franc		·00284	
French Africa	Franc		·00569	
French Pacific	Franc		·01565	
Germany	D Mark		·2371	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9959	
Haiti	Gourde		·1992	
Honduras	Lempira		·4980	
Hong Kong	Dollar	Free	·1656	*April 24
Iceland	Krona	Official	·06115	
		Special buying	·04711	
		Special selling	·03818	
India	Rupee		·2101	
Indonesia	Rupiah	Basic	·08736	(7)
		Dollar certificate	·00185	*April 15

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. May 8	Notes (See below)
Iran	Rial	Certificate I	·01116	*April 8
		Certificate II	·01110	*April 8
Iraq	Dinar		2·8019	
Ireland	Pound		2·8019	
Israel	Pound	Basic	2·7886	
		Special	1·3943	
		Investment	·9959	
Italy	Lira		·00160	
Japan	Yen		·00277	
Lebanon	Pound	Free	·2827	*
Mexico	Peso		·1151	
Netherlands	Guilder		·2621	
Netherlands Antilles	Guilder		·5281	
New Zealand	Pound		2·8019	
Nicaragua	Cordoba	Effective buying	·1509	(8)
		Official	·1412	
		With Surcharge I	·1237	
		With Surcharge II	·09909	
Norway	Krone		·1394	
Pakistan	Rupee		·3010	
Panama	Balboa		·9959	
Paraguay	Guarani	Basic	·06640	(1)
		With Surcharge I	·04742	(9)
		With Surcharge II	·03319	
Peru	Sol	Certificate	·06040	
Philippines	Peso		·4980	tax 17% (2)
Portugal	Escudo		·03476	
El Salvador	Colon		·3984	
Singapore & Malaya	Straits dollar		·3269	
South Africa (Union of)	Pound		2·8019	
Spain & Dependencies	Peseta	Basic buying	·04548	
		Basic selling	·08876	(1)
		Basic commercial selling	·06063	
		Free	·02528	
Sweden	Krona		·1925	
Switzerland	Franc		·2324	
Syria	Pound	Free	·2710	*April 15
Thailand	Baht	Official	·07967	(1)
		Free	·05867	*March 31
Turkey	Lira		·3557	
United Kingdom	Pound		2·8019	
United States	Dollar		·9959	
Uruguay	Peso	Official	·6557	
		Basic buying	·5595	
		Special buying	·4238	(1)
		Basic selling	·5242	
		Special selling	·4065	
Venezuela	Bolivar		·2973	(10)
Yugoslavia	Dinar		·00332	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic rate plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

foreign trade

MAY 23, 1953

Guatemala and Its Trade (page 2)

Men at Work . . .

Once a year, each of the 51 offices of the Trade Commissioner Service abroad forwards to the Department a detailed report on its work. Lately we have been reading over these reports and we have emerged from these sessions with a broad picture of the varied—and often unusual—services that a Trade Commissioner performs.

Fundamentally, the Trade Commissioner's function is to put Canadian exporters in touch with markets in his territory and foreign exporters in touch with customers in Canada. He thus serves as the centre span in the bridge of trade.

The annual reports give life and substance to that bald assertion. One office, for example, helped a Canadian company to sell brass rods in Brazil . . . another introduced Canadian maple syrup and maple butter into the Southern States . . . a third helped to promote sales of lamps and lanterns and of polystyrene in Pakistan . . . a fourth assisted an Ontario firm in finding markets for paper and cellophane bags in Venezuela. In fact, every report has its success stories.

The Trade Commissioner serves the importer too—by helping him to find the goods he wants or by telling him about new sources of supply. One office in the Caribbean inquired into markets in Canada for five important West Indies products . . . the Brussels office acted as a liaison in the placing of a large Canadian order for jute cloth . . . a Trade Commissioner stationed in India helped the local textile industry to make buying connections in Canada.

Sometimes the Trade Commissioner finds himself investigating Canadian demand for rather exotic products . . . turtle shells from Jamaica . . . feather bird pictures from Mexico . . . weasel skins from Hong Kong . . . frozen frogs' legs from South Africa.

Exotic products or those of everyday, the Trade Commissioner helps to keep them moving in the steady stream of trade. For that is his primary job . . . "to bring together the domestic seller and the foreign buyer . . . and to co-operate with the commercial community to build up the volume of Canada's foreign trade".

—The Editor.

foreign trade

VOL. 13 OTTAWA, MAY 23, 1953 NO. 334

VER . . . Bananas from
jatemalan plantation start
journey to a distant mar-
Though they still earn
e amounts of foreign ex-
ige, banana exports have
1 decreasing over the
's; rank far below coffee
s in both volume and value.
the complete story of
temala's export trade last
, turn to page two.

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

Guatemala and Its Trade

With coffee exports at a new high and prices good, Guatemala achieved a trade surplus of $12 million in 1952. Here is the trade picture.

GUATEMALA CITY—Guatemala ended 1952 with the highest favourable trade balance in her history. Exports increased in value from $76,085,000 in 1951 to $87,462,000 in 1952, and imports fell from $80,846,000 to $75,362,000. An unfavourable trade balance of $4,761,000 in 1951 was thus transformed into a surplus of $12 million.

To the value of exports should be added the dollars which the United Fruit Company must exchange for quetzales to balance the difference between the company's local expenditures and the total value of its exports, entered at their nominal value in the Guatemalan statistics. In 1951 and 1952 these totalled $10,650,750 and $10,159,000 respectively. On that basis, the total value of Guatemala's exports was $86,735,000 in 1951 and $97,621,000 in 1952.

Export Trade

This more than satisfactory situation may be credited to coffee, exports of which have increased in both volume and value. These exports rose from 1,089,000 quintals valued at $58,465,000 in 1951 to a new high of 1,327,000 quintals at $71,563,000, or 73 per cent of the real value of exports and 82 per cent of the value of exports before adjustment. The previous high for volume was 1,214,000 quintals in 1947, and the previous high for value, $58,465,000 in 1951.

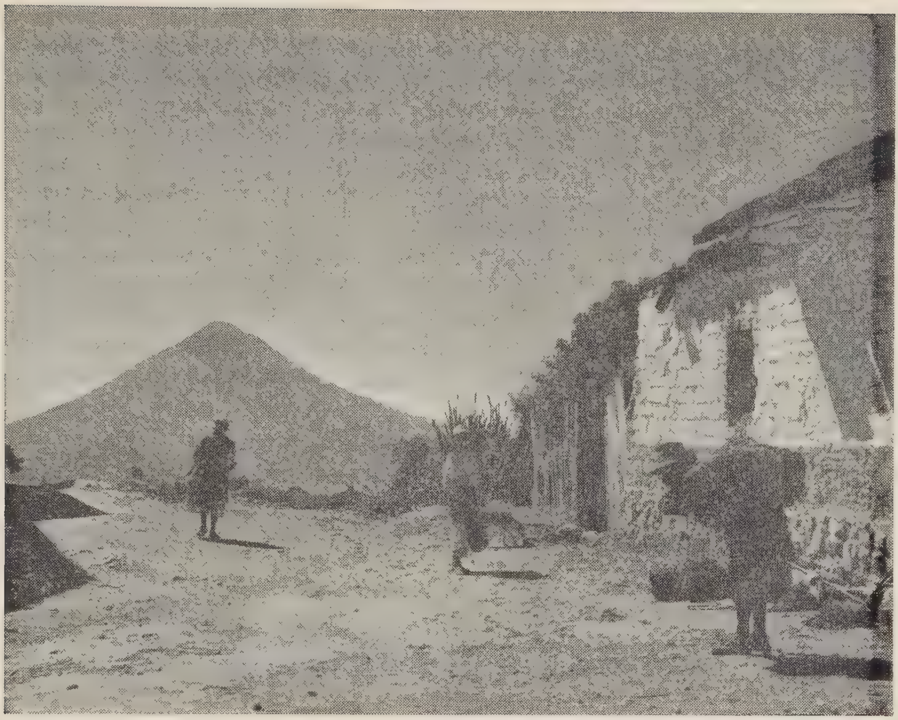
These figures show more clearly than ever that the Guatemalan economy depends on coffee and coffee alone and that a crisis would be inevitable if world prices were to come down or if local production decreased. Coffee is not only the main source of foreign exchange but also an important source of national income—nearly $11 million in 1952.

Bananas

The volume of banana exports, by contrast, has been steadily decreasing for some time because of hurricane damage, the Panama disease and labour troubles. The table below shows how drastically exports have dropped and prices fallen.

	000 Quintals	000 Dollars	Unit price per quintal	Unit price per stem of 52 lb.
1947	6,305	11,686	1·85	0·95
1948	5,944	10,319	1·73	0·89
1949	3,415	7,585	2·22	1·14
1950	3,483	7,648	2·19	1·12
1951	2,698	6,010	2·22	1·14
1952	2,068	4,695	2·27	1·17

(52 lb. was the average weight of one stem in 1951.)



—National Tourist Bureau, Guatemala

A Guatemalan peasant dwelling, near Santiago Atitlan, with the de Fuego volcano looming up in the background.

To the above value must be added the dollars which the United Fruit Company has to convert every year into quetzales for local operating expenditures. Since 1949 these sums have been:

1949	$11,337,000
1950	10,622,500
1951	10,650,750
1952	10.159,900

Bananas are therefore a larger source of foreign exchange than statistics indicate.

Chicle and Essential Oils

Chicle again ranked third among Guatemala's exports not because of an increase in volume and value, but because of a greater decrease in volume and value of essential oil exports, which at one time were expected to become a leading factor in the economy.

Exports of chicle in 1952 dropped to 23 thousand quintals valued at $1,712,000, compared with 27 thousand quintals valued at $2,038,000 in 1951. Exports of essential oils dropped to 15 thousand quintals at $1,260,-000, compared with 18 thousand quintals worth $2,245,000 in 1951. At the moment, the prospects for chicle are much better than for essential oils.

The chicle trees grow naturally and demand a minimum of attention. The production cost is therefore limited to tapping, packing and transfer to a seaport. However, official control of that industry and a heavy export tax (46 cents per kilo) were probably the main causes of its apparent decline.

The essential oils industry—so promising at one time, but only because of a relatively ephemeral opportunity—has sunk so low that the planters of citronella now lose less money by burning their crop in the fields than by harvesting it. For more than a year quotations in world markets have been so depressed, because of the come-back of traditional sources of supply, that the planters who cannot afford to harvest their crop and transform it into oil have to wait so long for an advance in price that inevitably the plants reach the stage when the yield is negligible. Citronella is only cultivated here and there by planters who gamble that the day will again come when Formosa will be unable to compete.

Lemon tea, despite a considerably lower price, is still a remunerative industry. Planters cannot count on the high profits of 1949 and 1950 but they are satisfied with what they get and they do not have to worry so much about competition.

Lumber

Since 1951 lumber exports have been increasing in both volume and value and, if the present rate of increase is maintained, may reach a record in 1953 in volume if not in value.

In 1952 exports totalled 7,499 MFBM valued at $762 thousand. If the exploitation of the forest resources of Guatemala were left (with due conservation control) to private initiative, this industry would probably progress. However, a recent government decision has entrusted the exploitation of the forests to an official autonomous body.

Other Exports

The total value of all other exports rose from $6,735,000 in 1951 to $7,471,000 in 1952. The two main commodities in this group are mineral ores and abaca, a vegetable fibre. Abaca is planted and cultivated by the United Fruit Company, under contract, on lands owned by the United States Government. The crop is the property of the American Government. Abaca exports in 1951 totalled 4,307 metric tons valued at $2,037,462, according to the latest official statistics. Production in 1952, according to the annual report of the United Fruit Company, was estimated at 4,300 metric tons.

Exports of mineral ores (lead and zinc) mainly to Canada and the United States for refining, tripled in volume from 9,846 metric tons to 27,681, but the value dropped from $2,517,672 to $1,780,337.

Trade by Continents and Countries

Guatemala does practically all its trade with two continents—North America and Europe—which are good markets for coffee. It trades very little with its sister republics of Latin America, who are also coffee-producing countries or to whom Guatemala has nothing to offer but coffee.

With the majority of countries, Guatemala's balance of trade is unfavourable, but the United States is such a large buyer of coffee at any price that the total value of exports to the U.S. nearly equals the total imports into Guatemala from all countries—$72,855,122 against $75,721,363. The trade with the United States leaves a balance of $25 million (before adjustment in the price of bananas) which more than balances

the deficit in the trade with the rest of the world. The next highest favourable balance is with the Netherlands ($4,202,816) which distributes coffee in that part of Europe. One of the features of the 1952 trade year was the considerable increase in the United Kingdom's purchases of coffee, probably for re-export in competition with the Netherlands.

By continents, Guatemala's trade was as follows:

	1952		1951	
	Imports (c.i.f.)	Exports (f.o.b.)	Imports	Exports
North America...	$53,482,327	$73,705,554	$60,945,755	$68,591,732
Central America..	1,148,717	1,228,216	967,320	464,905
South America...	1,147,971	166,948	805,439	123,018
Caribbean	5,234,141	743,108	3,283,446	315,934
Europe	13,984,665	11,618,741	13,901,435	6,454,791
Asia	639,226	62	898,616	36,936
Asia Minor	26,695	60	18,936	97,666
Africa	41,927	....	24,347	15
Australasia	15,694	....	1,248	....
	$75,721,363	$87,462,689	$80,846,452	$76,084,997

Guatemala's main customers during 1952 were:

COUNTRY	VALUE
United States	$72,855,112
Netherlands	4,855,613
Germany	2,012,910
Belgium	1,849,610
United Kingdom	1,477,811
El Salvador	922,337
Canada	790,629

The leading suppliers of goods to Guatemala in 1952 were:

COUNTRY	VALUE
United States	$47,647,829
Germany	3,922,588
Mexico	3,579,398
Canada	2,239,351
Curaçao	2,095,661
Aruba	2.024,756
Belgium	1,783,430
United Kingdom	1,477,811

The Outlook

The decision of the United States Government to lift price control on coffee was immediately followed by an advance in the price which, if sustained, should assure Guatemala of another good export year. This assumes, of course, that the crop will not be sensibly lower than in 1951-52. And, with coffee playing the usual star part, Guatemala does not have to worry about the performance of her other products.

The total value of coffee exports may increase even if, as a number of the planters believe, the crop is not as large as last year's. Should it increase, it may be that the value of coffee exports will exceed the value of all imports, which are expected to drop in both volume and value.

The value of 1952 imports showed a decrease of $5 million as compared with 1951, despite a substantial increase in imports of building machinery and materials for the construction of the Atlantic Highway and other government projects. It is not expected that the Government will have to place repeat orders for these products during 1953. Moreover,

the reduced import of consumer goods which began with the proclamation of the Agrarian Reform Law has not yet reached its low point, because the Government, in order to gather the funds necessary for the new five-year plan, has raised the tariff on some 450 articles so much that a great number of them are now in the luxury class.

Some Items Affected

Among these 450 items are canned goods, textiles, cosmetics, a number of building materials, novelties and bathroom supplies, but not sardines, bought in good quantities by the low-earning class, and automobiles, bought by the more affluent. The tariffs for these articles are bound by the United States trade agreement. The tariffs on such articles as bathtubs, toilet seats, sinks, etc., were increased by 100 per cent but the tariffs on electric refrigerators, stoves, radios, etc., were left unchanged.

Though these tariff changes were made to increase revenues this objective may not be attained because reduced imports would naturally mean reduced customs receipts even if the Government, which imports its requirements duty-free, places large orders abroad for the five-year plan.

These increased tariffs, combined with a 6 per cent port tax applicable to all imports and exports, have already raised the price of a good number of articles to a point where they are beyond the purchasing power of the majority of the population. Importers are already limiting purchases abroad, a policy which dovetails with the preference of local businessmen for selling smaller quantities at higher prices rather than large quantities at lower prices.

—J. C. Depocas
Canadian Government Trade Commissioner

NETMAKERS TO THE WORLD

When fishermen in British Columbia haul in their catch, some of them use nets made in the English town of Bridport, famous for its net and line industry since the days of King John. Ancient records reveal that in 1213 the King sent this order to the Dorset town: "Cause to be made at Bridport, night and day, as many ropes for ships both large and small and as many cables as you can, and twisted yarns for cordage for balistae".

Since then Bridport's nets and lines have earned world fame and most overseas territories are markets for its products, which include every type of sports net and most fishing nets. About 30 per cent of the exports go to dollar countries. A large proportion of the national total of fishing netting and lines, with the exception of hand-made trawls, is produced in Bridport.

South Africa

The Economy Levels Off

The Union has entered a phase of relative stability, the Reserve Bank's statistician reports in his economic review, summarized here.

JOHANNESBURG—After two years of unprecedented prosperity, South Africa's economy has entered a phase of relative stability, according to Dr. T. W. de Jongh, Statistician of the South African Reserve Bank. In his *Review of Economic Conditions in the Union in 1952,* just published by the Reserve Bank, Dr. de Jongh attributes this levelling-off in the Union's economy to certain external and internal conditions.

Lower Foreign Investment

According to Dr. de Jongh, the inflow of foreign capital during 1952 was smaller, largely because international political tensions have meant heavy rearmament expenditures by countries that would normally invest capital in South Africa. The net inflow from all sources amounted to about £58 million in 1952, compared with about £66 million in 1951. About £44 million of this was made up of private capital, including trade credits and drawings under the uranium loans (from the United States and Britain), and £15 million was obtained by the Union Government from the International Bank of Reconstruction and Development in the United States and from banks in Switzerland. One million pounds must be deducted from these figures because the South African Reserve Bank's short-term foreign liabilities declined by this amount during 1952.

Higher Interest Rates

On the domestic front, higher interest rates imposed during the first four months of 1952 slowed up the expansion of local industries and relieved much of the inflationary pressure that has affected the Union's economy in recent years.

One of the casualties of tightened credit was the South African construction industry. After increasing from 105·2 in 1950 to 148·5 in 1951, the average monthly index of the value of building plans declined to 115·1 in 1952. The decline became evident in the second half of the year after interest rates had risen.

Commodity prices continued to rise during 1952 but by the end of the year they were levelling off. The average monthly index of wholesale prices increased by 14·6 per cent. This increase was made up of a rise of 10·5 per cent in imported goods and 17·5 per cent in domestic products. Retail prices also continued to rise, the monthly index going from 121·5 in December 1951 to 129·0 in December 1952. This upward movement was largely the result of higher food prices, and to a lesser degree of an

increase of 10·3 per cent in rents. The average monthly index of agricultural prices, with the exception of wool, increased 13 per cent. The average price of wool, one of South Africa's major products, dropped over 42 per cent, causing a decline of about 21 per cent in the average monthly index for all agricultural products.

Export and Import Values Drop

The effect of the fall in wool prices is also reflected in the Union's foreign trade figures. Merchandise exports (excluding gold bullion) fell from a high of about £347 million in 1951 to about £332 million in 1952, principally because the value of wool exports dropped by about £16 million.

Imports also declined from £470 million in 1951 to £420 million. Tightened import controls, especially in consumer goods, accounted for much of the reduction. Their effect is reflected in the following table:

SOUTH AFRICAN IMPORTS

Class of Imports	Increase or Decrease (£ million)
Animals, agricultural and pastoral products	— 1
Food, drink and tobacco	+ 7
Textiles, apparel, yarns and fibres	—59
Metals, metal manufactures, machinery and vehicles	+ 3
Minerals, earthenware and glassware	+ 3
Oils, waxes, resins, paints and varnishes	— 2
Drugs, chemicals and fertilizers	+ 1
Leather, rubber and manufactures thereof	— 6
Wood, cane, wicker, and manufactures thereof	— 2
Books, paper and stationery	— 2
Jewellery, time pieces, fancy goods and musical instruments	— 1
Miscellaneous	....
Total	—59

Trade Deficit Improved

The decline in imports more than offset the decline in exports, thereby reducing the South African trade deficit by £43 million in 1952. Paralleling this improvement in the trade deficit, South Africa's net current deficit with the outside world (which includes invisible items such as dividends, capital movements and payments for military operations in Korea) also dropped last year. After increasing from practically nothing in 1950 to about £104 million in 1951, the deficit declined to £65 million in 1952.

In concluding his review, Dr. de Jongh states: "On the whole it would appear that, in the economic field, the Union entered a phase of relative stability in 1952, compared with the marked expansion in recent years".

—Howard E. Campbell
Assistant Canadian Government Trade Commissioner

The Caribbean Trade in Wood Products

Several weeks ago, Port of Spain was the setting for a conference on "Caribbean Timbers, Their Utilization and Trade within the Area". To the conference came delegates from French Guiana, Guadeloupe, Martinique, Surinam, British Guiana, British Honduras, Jamaica, Trinidad, and the Windward Islands. In addition, Canada, Costa Rica, and British Guiana sent observers and Trinidad provided an adviser. At a time when the conference has focused attention on the trade in wood products in the various Caribbean countries, we are presenting a report on this subject for the information of the Canadian lumber exporter, written by the official Canadian observer at the conference.

PORT OF SPAIN—Since 1938, the total export trade in wood products within the Caribbean area has shown a spectacular increase, jumping from US$1,202,800 in 1938 to US$8,383,600 in 1951. Even when higher prices are taken into account, this record is a good one.

The export trade in planks and boards increased most rapidly—from $378 thousand in 1938 to $4,408,500 in 1951. Import trade, on the other hand, has risen only slightly in the thirteen years—from $9,810,500 in 1938 to $10,051,600 in 1951. Imports of planks and boards fell from $4,719,200 in 1938 to $4,426,700 in 1951, although they were higher in both 1949 and 1950.

Greater use of local timber within each country and the switch to substitutes have played a part in this import decline. These factors will, of course, make it all the more difficult for the Canadian exporter to regain markets in this area, if and when exchange problems no longer stand in the way.

There has been a steady increase in the use of shingles, with sales rising from $71,600 in 1938 to $549 thousand in 1951. The plywood trade also increased in value, from $20 thousand in 1938 to $149 thousand in 1951. A valuable trade in gums and resins is also carried on with exports (largely to the U.K.) totalling $332,800 in 1951.

Here are detailed market reports on each territory in this area:

French Guiana

A small amount of timber is imported for furniture making. Exports are negligible and mainly go to the other French colonies. Use of the forests is being given greater attention and it is expected that increasing quantities of wood and lumber will be available for sale abroad.

Guadeloupe

Guadeloupe has no export trade in wood products and though some 10,000 tons of local woods are milled, there is a prejudice against them. Imports amounted to US$576 thousand in 1950 but there are no details on species. The principal source was France, with small amounts from the United States and British Honduras.

Martinique

Exports have been declining during the past three years but the trade has never been large—only $49,500 in 1950. Imports, however, totalled $1,212,000 in 1951 and consisted mainly of lumber from France and the area, and cooperage stock from France, with lesser amounts from the United States and French North Africa.

Surinam

Exports of wood products were valued at $2,702,300 in 1951 and comprised logs and cuttings ($307,700), principally to the Netherlands with some to the area; sleepers and ties ($83,600), to the Netherlands; planks, boards and scantlings ($243,500), mostly to the Netherlands; plywood ($1,517,800), mainly to the United Kingdom and the remainder to the area; balata ($549,400), mainly to the United Kingdom and the United States.

The import trade is very small, consisting of about $38 thousand worth of furniture and other wood manufactures.

British Guiana

British Guiana has a valuable export trade in wood products, worth $1,587,100 in 1951. Export of Greenheart logs and cuttings reached a total of $527 thousand in 1951 and the principal buyers were the United Kingdom ($296,700), the United States ($130,500) and the Netherlands ($86,700). Sales of Greenheart lumber abroad were valued at $377,300, the principal buyers being the United States ($133,300), the United Kingdom ($83,600), the Netherlands ($58,000) and the British West Indies ($53,700). Trade with the area is handicapped by very high freight rates and in many cases the transhipment charges are also high. Imports of timber are largely for special purposes; otherwise British Guiana appears to be self-sufficient.

In 1951 imports of all wood products were valued at $429 thousand. The chief item was cooperage stock valued at $329 thousand, mainly from Surinam. A small amount of pitch pine was purchased from the United States and some pine and spruce from Canada.

British Honduras

This country has a very important export trade but it has reached its maximum unless markets can be developed for lesser known types. At present some supplies of short length mahogany lumber which is cut from trees not suitable as peeler logs are available for export. One serious handicap to the development of export markets has been the high freight rates and the lack of regular shipping facilities.

Total exports of wood and wood products were valued at $3,357,800 in 1951. The trade consisted of mahogany logs and cuttings to the value of $538,700, going mostly to the United States, and mahogany lumber valued at $1,016,800, with the United States taking $465,400 worth, the United Kingdom $240,600, Canada $98,000, and with lesser amounts sold within the area and to Sweden and Denmark. Pine exports are increasing and were valued at $1,002,500 in 1951. This pine was sold mainly in the area, in particular to Barbados ($123,900), Jamaica ($359,200), Trinidad ($254,200) (1950), and to the French Caribbean territories ($401,500).

Jamaica

Except for dyeing and tanning materials, the export trade in wood products is practically non-existent. Jamaica has insufficient forest resources to satisfy her own needs nor is there any prospect of increasing production. Because of the shortage of dollars and rising prices, Jamaica has had to concentrate on the use of available timber in the area and to expand the use of substitute materials such as cement, cement block and tiles. Lower timber prices are essential if this trend is to be changed.

Imports, which in 1951 amounted to $3,198,700, were made up of $1,759,900 worth of planks, boards and scantlings; $363,700 worth of shingles; $20,600 worth of plywood, and nearly a million dollars worth of cooperage stock.

The most important lumber import is pitch pine, valued at $1,501,000 and coming largely from the United States ($206,800), the Bahamas ($356,700), British Honduras ($359,200), Honduras ($201,100), and Nicaragua ($301,700). A very small amount of cedar is bought from Mexico and British Honduras. In 1951, $11 thousand worth of Douglas fir was purchased from the United States and some mahogany comes in from British Honduras. Cooperage stock is important and $911,100 worth was purchased in 1951, mainly from the United States ($583,400), and Canada ($176,100). Some plywood was bought from Surinam ($15,100) and the United States ($3,500).

Trinidad and Tobago

The Trinidad Lumber Association plays a very important part in the marketing of imported lumber. The Association is limited to eight members and normally deals with lumber such as pitch pine, white pine,

Douglas fir and Canadian cedar. Some of the members also handle lumber from the area. In effect, the Association has become a purchasing and distribution agency. Prices are fixed on the basis of costs and the profits of the members are controlled. Actual profits work out at about 16 per cent of the cost of the lumber landed in the member's yard. Purchases in the sterling area are encouraged but dollars are spent only when absolutely necessary.

Progress is being made in the greater use of local timbers with the objective of becoming self-sufficient. Because the aim is complete utilization and complete regeneration, exports are a secondary interest. A box-making plant was established some time ago to take care of local needs and exports of wood manufactures to the area, valued at $179,700 for 1950, consist largely of boxes. Exports of other wood products are negligible.

In 1950 imports totalled $1,574,200—principally planks and boards, plywood, and cooperage stock. Trinidad bought $60,800 worth of cedar lumber from Canada in 1950 and $77 thousand worth of Douglas fir. Some $500 worth of Douglas fir lumber also came in from the United States. Pitch pine lumber imports were valued at $785,200 and were bought from the United States ($116,000), Bahamas ($298,200), British Honduras ($254,200), and Honduras ($116,800). Surinam supplied the bulk ($17,100) of plywood imports, valued at $21,600, and Canada supplied $3,300 worth of shingles. Furniture imports were valued at $43,700 and came mainly from the United Kingdom ($10,400) and Czechoslovakia ($18,200). Cooperage stock is still needed from abroad and cost $228,600 in 1950. There were two main sources of supply—the United States ($177,100), and British Guiana ($38,700).

Windward and Leeward Islands

There is an old established trade between the islands and Canada but the islands are so poor that imports have to be limited and supplies have to be secured locally, or within the area, or substitutes found. The inaccessibility of the forests because of lack of roads is a handicap to the development of the local forests but some of the islands are taking steps to develop local timber of good quality. Small amounts of fuel wood and charcoal are exported but there is no real trade in timbers. Imports into this area consist for the most part of planks, boards and scantlings. Canada exports considerable quantities of pine and small amounts of spruce, Douglas fir and cedar.

Windward Islands

Dominica

Imports in 1951 were valued at $182,800, including $17,400 worth of planks and boards (of which $12,800 worth of white pine came from Canada) and $152,200 worth of wood manufactures, mostly cooperage

stock, ($149,600). This stock originated mainly in the United Kingdom ($64,900), United States ($37,300), Sweden ($22,400) and Trinidad ($11,700).

Grenada

In 1951 Grenada bought $282,100 worth of wood products, mainly planks, boards and scantlings valued at $252,200. Species are not indicated but the principal suppliers were Canada ($110,100) and the United States ($109,100). Shingles valued at $8,100 came from Canada ($6,200) and British Guiana ($1,900).

St. Lucia

Purchases abroad in 1951 were valued at $85,500 only. Details of the trade are not available but imports of boards and planks n.o.p. are listed at $72 thousand and the principal sources as British Guiana ($29,500), Canada ($19,300) and the United States ($12,700). Shingle imports from Canada were valued at $5,000 and from British Guiana at $6,300.

St. Vincent

Total imports of wood products were valued at $104,900 in 1951. A few poles, posts and piles were purchased but the bulk of the trade was in planks and boards and a small quantity of shingles. Again details on species are lacking. Lumber imports n.o.p. were valued at $95 thousand —with $26,200 worth from Canada, $25,800 from the United States, $20,100 from the Bahamas, $12,700 from British Honduras and further small parcels from the area. Imports of shingles worth $5,000 came from Canada and $1,300 worth from British Guiana.

Leeward Islands

Antigua and St. Kitts-Nevis do a small import business; Montserrat's total imports of wood products in 1951 consisted of $9,000 worth of planks, boards and shingles.

Antigua

In 1950 imports reached a value of $201,400, made up of $11,200 worth of ties and sleepers from British Guiana, and the balance in planks, boards and scantlings. Pitch pine valued at $105,900 was imported from the United States and $73,600 worth of white pine came from Canada.

St. Kitts-Nevis

The latest statistics show imports of $216,800 in 1949, of which $196,800 covered planks, boards and scantlings. Of this amount the United States sent $89,000 worth of pitch pine and Canada $94,500 worth of white pine and $10,700 worth of lumber n.o.p. Shingle imports amounted to $7,100, with Canada supplying $2,700 worth.

Barbados

Barbados has no surplus of timber and is an important market for wood products. In 1951 purchases abroad amounted to $2,128,900. Imports of poles, posts and pilings were valued at $13,700 and came mainly from British Guiana. Fuelwood and charcoal (principally from British Guiana) reached a total of $176,600. Shingles to the value of $167 thousand came mainly from Canada. Imports of furniture amounted to $45,300 and came from the United Kingdom ($14,200), the United States ($7,000), Canada ($6,200), and the remainder from the area.

Planks, boards and scantlings of Douglas fir, valued at $455,600, were purchased from Canada in 1951. Imports of pitch pine were valued at $290,300 and were brought in from the United States ($93,100), Canada ($73,300), and the Bahamas ($123,900). Other lumber n.o.p. was imported to the value of $430,800 and came mainly from Canada ($414,-400). There is also considerable import trade in cooperage stock—worth $359,900 in 1951. The principal suppliers were the Netherlands ($80,800), Canada ($179,800), Denmark ($21,200) and Germany ($78,100).

Puerto Rico

Puerto Rico depends on outside sources for 90 per cent of her timber requirements. With lumber prices rising, there has been a tendency to accept lower grades. Imports of wood products were valued at $9,173,000 in 1950. Poles, posts and pilings were purchased to the value of $161,400 from the United States; sleepers and ties to the value of $118,700, mainly from the United States. Cedar lumber imports totalled $43,900 and came from the United States ($24,300) and Canada ($15,300); cypress to the value of $130,200 was bought from the United States. Douglas fir imports amounted to $1,096,200, from the United States ($838,700) and Canada ($257,500). Mahogany imports worth $383 thousand came principally from the U.S. ($275 thousand) and Mexico ($103 thousand). Imports of Dominican pine were valued at $367,600, from the Dominican Republic ($114,600) and Nicaragua ($253,000). Southern pine imports from the U.S. amounted to $4,050,800. Plywood imports totalled $314 thousand and came from the United States ($242,800) and Mexico ($68,800). Furniture imports were valued at $1,656,400 and came almost wholly from the United States, as did the cooperage stock worth $180 thousand.

—P. V. McLane
Canadian Government Trade Commissioner

FAIRS and EXHIBITIONS

Samples in the South

The International Trade Mart at New Orleans was the setting recently for the Third International Sample Show, in which most countries which maintain trade representatives there participated. The exhibits covered largely giftware, household ware, textiles and handicrafts. Altogether, some 165 buyers from 29 different states registered at the show, which received excellent advance publicity.

The Canadian section featured handicrafts and toys, sent in by twelve Canadian companies or handicrafts associations. Some 40 to 50 people a day visited the Canadian booths and buyers from gift shops seemed especially interested in the handicrafts. In addition, some of these handicrafts were featured on a local television show.

The Well-Dressed Office

What is new and best in office equipment will be displayed for office managers and industrialists when the National Office Management Association opens its International Conference and Exposition in Boston on May 24. The conference will run for three days at the Statler Hotel and the exposition for four days in the Mechanics Building. Exhibits by over a hundred manufacturers will feature the latest in record reproduction equipment, dictating machines, desks and office chairs, accounting machines, calculators, automatic typewriters, newly developed filing equipment, and addressing machines.

Below the Border

The following Fairs are taking place in the United States during the next two months:

Second International Aviation Trade Show, New York, June 9-11.

Exposition of Basic Materials for Industry, New York, June 15-19. Information: Clapp & Poliak, Inc., 341 Madison Ave., New York 17.

Annual World Trade Fair, San Francisco, June 24-28. Information: San Francisco Chamber of Commerce.

International Photographic Exposition, San Francisco, June 30-July 5. Information: International Photographic Exposition, 302 The News Bldg., 814 Mission St., San Francisco.

Fair Calendar

International Trade Fair, Casablanca, French Morocco, May 30-June 14.

Western German Agricultural Fair, Cologne, May 31-June 7.

International Trade Fair, Padua, Italy, June 6-21.

International Trade Fair, Bordeaux, France, June 7-22.

Chemical and Laboratory Equipment and Industrial Control Apparatus Exhibition, Paris, June 18-29.

International Dairy Exhibition, Utrecht, Netherlands, June 19-30.

International Exposition of Communications (Transportation), Munich, Germany, June 20-Oct. 11.

International Agricultural Exposition, Rome, June 27-Oct. 31.

International Footwear and Leather Show, Utrecht, Netherlands, June 29-July 3.

International Sample Fair, Trieste, June 29-July 30.

Canadian Footwear Crosses the Border

Footwear for men, women, children and even infants is attracting attention in New York's Rockefeller Centre. In the Canadian Showroom, 13 Canadian shoe manufacturers are showing their fall and winter lines, including some ski boots, moccasins and casual shoes. The show will continue to the end of June.

The footwear exhibit has been timed to take place when shoe buyers are stocking up for autumn selling. In 1952, 250 Canadian manufacturers produced 37 million pairs of shoes, and footwear exports to the United States last year reached $2 million.

Spotlight on Machine Tools

The Third European Machine Tool Exhibition opens in Brussels on September 4 and continues to September 13, with, so far, 700 exhibitors from 12 countries. Of these, 500 are makers of machine tools and 200 are makers of related material, such as portable machine tools; tooling, measuring and controlling instruments; electrical equipment, etc. Twenty-three hundred machines will be in operation on the 340 thousand square feet of exhibit space.

Services provided for exhibitors include unloading of trucks, transport of goods from railway station to stands, and insurance from warehouse to warehouse. Customs duties are included in the cost of stand rental and the exhibitor need not worry about them.

At Thessaloniki

The 18th International Fair of Thessaloniki, Greece, will open its doors on September 6 and will remain open until the 27th.

The Fair covers a wide category of exhibits, 17 in all, including food, drink, and tobacco, furnishings of all kinds, craftwork, electrical articles, textiles, paper products, machinery, chemicals and agricultural products, as well as exhibits by banks and insurance companies.

Canada's Trade with Belgium

Value of Canadian goods going to Belgium has been rising steadily since 1949, with grains, minerals and automobile parts as the leaders.

BRUSSELS—Belgium's total trade since the war has been constantly on the increase in both volume and value. In 1951 exports tripled in volume over 1946 and quadrupled in value. In 1952, though the volume of trade surpassed the high '51 levels, the value dropped because of a drop in prices. The following table showing Belgium's total trade for the last few years illustrates this point:

	Imports*		Exports*	
	(Volume in million kgs.; value in million Belgian francs)			
	Volume	Value	Volume	Value
1946	21,030	57,184	7,454	29,836
1950	29,814	97,835	16,376	82,823
1951	38,230	127,202	20,260	132,568
1952	38,885	123,023	20,337	122,550

* Figures cover Luxembourg also, which has been joined to Belgium in an economic union since 1924.

Canada's share in Belgian total trade, by value and according to Belgian statistics, is relatively small. In 1946, it was 2·72 per cent of the whole, in 1951, 2·2 per cent, and in 1952, 2·5 per cent.

Trade Is Expanding

Canada provided 3·8 per cent of Belgian imports in 1946, 3·2 per cent in 1951, and 3·5 per cent in 1952, and thus her share has kept pace with Belgium's growing trade. Canadian figures for the last few years indicate how trade with Belgium has been expanding.

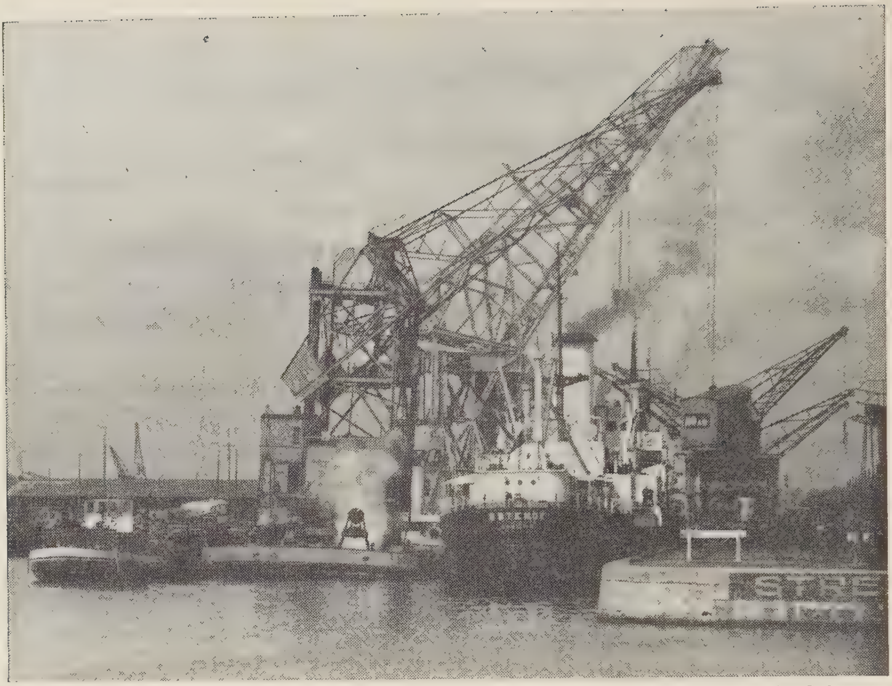
	Canadian Imports from Belgium	Canadian Exports to Belgium
1949	$19,021,599	$ 56,525,332
1950	22,794,903	66,350,580
1951	39,095,024	94,457,390
1952	33,215,969	104,376,217

It should be noted, however, that the Canadian figures given above include export trade which is shown as destined to Belgium, but which is, in effect, in transit through Belgian ports to other destinations.

The following Belgian figures may therefore give a truer picture:

	Belgian Imports		Belgian Exports	
	Metric tons	1,000 B. Frs.	Metric tons	1,000 B. Frs.
1949	484,647	2,367,243	125,993	924,727
1950	605,245	2,942,658	142,896	1,073,627
1951	843,758	4,096,221	269,350	1,494,238
1952	898,702	4,425,283	267,795	1,560,362

Note: 1951 conversion: 1 Belgian franc equals Canadian $0·02073.
1952 conversion: 1 Belgian franc equals Canadian $0·01966.



—Belgian Foreign Trade Office

Floating cranes in the port of Antwerp swing heavy machinery and parts, made in Belgium, aboard waiting vessels. Iron and steel and manufactures play an important role in Belgian trade.

These figures show that the growth of our trade with Belgium has been constant both in volume and in value. They also show that we export to Belgium more than we import from that country—in fact, nearly three times as much in value and over three times as much in quantity.

What We Sell Belgium

The following table gives a quick appreciation of Belgium's main imports from Canada, by categories, with Belgian francs converted into Canadian dollars.

Section	1951	1952
II—Vegetable products	$59,000,000	$63,000,000
V—Mineral products	6,960,000	8,160,000
XVII—Transport material (mainly auto parts)	866,200	6,356,000
Total	66,826,200	77,516,000
Balance, other imports	15,098,220	10,989,660
Total imports	81,924,420	88,505,660

It is worth noting that in 1952 the *vegetable products* category, amounting to $63 million, accounted for over 71 per cent of imports. Wheat alone constituted 34 per cent of this, barley 21 per cent, and linseed and oats another 15 per cent. *Mineral products,* mainly asbestos, lead and zinc ore, constituted over 9·2 per cent of Belgian imports from Canada in 1952. *Transport materials,* largely automobile parts, comprised over 7 per cent of Belgium's total imports from Canada.

These three categories combined make up the major part of the imports—87½ per cent. This means that, apart from cereals and grains, ores and automobile parts, only 12½ per cent of our trade is made up of the whole remaining range of exports of certain raw materials and of manufactured and semi-manufactured products. This means, therefore, that whatever restrictions still apply to dollar area imports into Belgium actually affect only the 12½ per cent of total imports.

It should be added, however, that if there were no restrictions, there is little doubt that imports of the 12½ per cent group of commodities would tend to increase.

The following tables list the most important Belgian imports from Canada in both the 87½ per cent and the 12½ per cent categories. Some changes have occurred from year to year but the pattern remained much the same in 1952 as it was in 1951.

Leading Imports into Belgium from Canada

(in Canadian dollars)

	1952	1951
Wheat	30,100,000	32,500,000
Barley	19,000,000	15,170,000
Linseed	10,820,000	6,960,000
Asbestos	3,720,000	3,187,000
Lead ore	2,660,000	1,890,000
Parts of automobiles (coach work)	2,340,000	338,000
Oats	2,420,000	2,160,000
Zinc ore	1,640,000	1,405,000
Internal combustion engines	1,180,000	170,000
Parts of automobiles (rear axles)	550,000	48,000
Total	74,430,000	63,828,000

Other Imports into Belgium from Canada

	1952	1951
Canned salmon	2,260,000	1,540,000
Chemical pulp	1,130,000	2,040,000
Natural and synthetic rubber	764,000	616,000
Special steels	640,000	298,000
Fish oils	540,000	760,000
Antibiotics	390,000	383,000
Mechanical pulp	380,000	149,000
Aluminum, unworked	340,000	470,000
Coniferous lumber	260,000	1,020,000
Washing machines	190,000	266,000
Bolts, nuts, screws	170,000	22,000
Horsemeat (pickled)	160,000	177,000
Leaf tobacco	150,000	12,400
Plastic materials	150,000	178,000
Iron and steel bars, n.o.p.	134,000	220,000
Total	7,658,000	8,151,400
Balance, other imports	6,417,660	9,945,020
Grand total imports	88,505,660	81,924,420

What Belgium Sells to Canada

The following table shows the ten most important Belgian exports to Canada, constituting 90 per cent of exports in 1951 and 87 per cent in 1952.

Leading Belgian Exports to Canada

Description	1952 Quantity 1,000 Kg.	1952 Value 1,000 B. Frs.	1951 Quantity 1,000 Kg.	1951 Value 1,000 B. Frs.
Iron, cast iron and steel	115,595	729,674	163,931	967,146
Pearls, precious stones, precious metals and manufactures thereof	....	119,086	....	114,093
Wool and animal hair	720	105,700	668	127,086
Glass and glassware	10,192	105,110	15,344	135,479
Tin	706	94,747	838	121,050
Salt, sulphur, earths, stones, chalk and cement	110,877	77,604	59,215	39,908
Cotton	525	52,738	490	54,672
Fertilizers	21,806	38,790	22,618	35,908
Heaters, mechanical apparatus and machines and their detached parts	450	34,369	317	21,173
Oleaginous seeds and fruit, industrial and medicinal plants, fodder and straw	46	448	14	370
Total	260,917	1,358,266	263,599	1,616,885
Balance, other	6,878	202,096	5,731	177,353
Total exports	267,795	1,560,362	269,330	1,794,238

Some Restrictions Lifted

On February 1, 1953, the Belgo-Luxembourg Economic Union removed many dollar import restrictions which it had applied since 1951. This action was the result of strong representations by Canada and the United States under the GATT. Most Canadian goods may now enter Belgium and Luxembourg free from government controls.

There is, however, a residue of import restrictions applying to dollar imports. Licences must still be obtained on a number of goods, and the International Trade Relations Branch, Department of Trade and Commerce, Ottawa, or the Commercial Secretary in Brussels will be glad to supply information on the importing of specific commodities into Belgium.

—T. J. Monty
Commercial Secretary for Canada

Transportation

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

COMMODITY NOTES

AUSTRALIA

Acids—At least 48 per cent of all acids made in Australia during the first quarter of 1951-52 came from local materials, compared with 39 per cent in the previous year. The Minister of Defence Production said this was a result of the Government's drive to convert Australian sulphuric-acid making plants to the use of local sulphur-bearing materials instead of imported brimstone.

The conversion program depends mainly on the use of pyrites and output has expanded greatly in Queensland, New South Wales, Tasmania, South Australia and Western Australia. The full effects of the conversion program will not be felt for a number of years, but its importance to the country's economy and security is considerable because sulphuric acid is used in the production of fertilizers necessary for the expanded food production program—Melbourne, April 28.

BRAZIL

Sugar Cane—Sugar cane production in 1952 amounted to 35,798,429 tons valued at Cr.$3,890,517,000. In 1951, the country produced 32,687,184 tons valued at Cr.$3,258,830,000—Rio de Janeiro, May 6.

ITALY

Gasoline—Oil refineries at Cortemaggiore, near Piacenza, now in operation will add considerably to Italy's very limited present production. Only some 6,724 tons of raw gasoline were produced in July 1952. This was, however, a great increase from a total of 220 tons a year earlier. There has also been a modest increase in the production of raw mineral oil—another new postwar development in this country—Rome, May 11.

JAPAN

Cotton Textiles—The Japan Cotton Spinning Association reports that during 1952 Japan exported 761,844,000 square yards of cotton fabrics. This compares with 1,094,503,000 for 1951. Exports of cotton yarn in 1952 totalled 29,575,000 lb., an increase from 28,144,000 lb. in 1951. Asiatic markets absorbed 70 per cent of Japan's total cotton textile exports in 1952, followed by Africa, 13·3 per cent; Europe, 11·4 per cent; North, South and Central America, 3·5 per cent, and Australia and New Zealand, 1·5 per cent—Tokyo, April 30.

NETHERLANDS

Whale Oil—The Netherlands only whaler produced 16,965 tons of oil during the 74-day season which ended on March 16. The figure for last year was 15,500 tons produced in 64 days. The total output had been sold in advance to the Netherlands Government at a price of Fl. 817 per 1,016 kilos—The Hague, May 8.

PAKISTAN

Jute Manufactures—During 1952-53 the secondary jute industry in Pakistan was able to meet all domestic requirements of burlap, hessians, etc. The rate of production of hessians by July 1953 is expected to be approximately 50,000 tons, and by the end of 1953, 75,000 tons a year. There will therefore be a surplus of jute manufactures for export. At the end of 1955 it is expected that there will be 6,000 looms in full production, producing approximately 240 thousand tons of jute goods a year on the basis of double-shift operation—Karachi, April 29.

SOUTHERN RHODESIA

Tobacco—A minimum tobacco crop of 125 million pounds in each of the five years to 1957 is anticipated by the Southern Rhodesia Tobacco Marketing Board, which has completed an agreement guaranteeing a block sale of 90-95 million pounds of leaf to British and Australian tobacco manufacturers. The remainder of the crop, to a minimum of 125 million pounds, will be absorbed by domestic manufacturers, with surplus production to be cleared by sales to Europe, Africa, and Asia—Cape Town, April 30.

SPAIN

Oranges—The latest published figures show that seasonal exports of oranges up to February 22, 1953, totalled 607,156 metric tons. It is estimated that exports this season will reach 900 thousand tons. Home consumption will be about 300 thousand tons, and a further 100 thousand tons will be used for industrial purposes. The total volume of the crop is estimated at 1·3 million metric tons—Madrid, May 7.

UNITED STATES

Poultry—The Detroit market absorbs quantities of Canadian poultry products annually. The Michigan Department of Agriculture reports that total receipts of Canadian poultry products in Detroit during 1952 were as follows: shell eggs, 29,343 cases; dressed poultry, 20,245 lb.; live poultry, 2,010,714 lb.—Detroit, May 15.

WEST GERMANY

Nylon—Rhodiaceta AG, Freiburg-Breisgau, began the production of nylon early this year for the first time in Germany. Initially, production will amount to 50 tons a month. In addition to perlon and "rovyl", fibre nylon has been included in the production program of Rhodiaceta which has an affiliated company in Lyon, France—Bonn, May 11.

TRADE COMMISSIONERS ON TOUR

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

A. W. Evans, Commercial Secretary for Canada in Havana, Cuba, will begin a tour of Canada in Toronto on June 1st. His itinerary is:

Toronto—June 1-12
Brockville—June 15
Montreal—June 16-30
Quebec—July 2
Saint John—July 6-8
Halifax—July 10-13
St. John's—July 14
Windsor: Walkerville—August 17
Chatham—August 18
London—August 19
Kitchener—August 20
Guelph—August 21
Hamilton—August 24-25
Victoria—August 31
Vancouver—September 1-3
Calgary—September 4
Edmonton—September 5
Saskatoon—September 7
Winnipeg—September 9

C. M. Croft, Commercial Counsellor for Canada in Sydney, Australia, began a tour of Canada in Vancouver on May 8. His itinerary is:

Ottawa—May 24-30
Toronto—June 5-17
St. Catharines—June 18-19
Hamilton—June 20-23
Windsor—June 24-25

M. T. Stewart, Commercial Counsellor for Canada in Mexico City, began the second part of his Canadian tour in Windsor and Walkerville on May 4. His itinerary is:

Toronto—May 25-June 6
Montreal—June 8-20
Quebec—June 22
Saint John—June 25-26
Halifax—June 29-30

Businessmen may get in touch with these officers through the Board of Trade in Saskatoon, Chatham, Guelph, Montreal, Quebec, Saint John and Halifax; the Chamber of Commerce in Calgary, Kitchener, London, St. Catharines, Windsor, Hamilton and Brockville; the Canadian Manufacturers Association in Edmonton, Winnipeg and Toronto; the Dept. of Trade and Industry in Victoria; and the Department of Trade and Commerce in Ottawa, Vancouver (355 Burrard St.) and St. John's (Stott Bldg.).

India's Jute Problem

The picture for both raw and manufactured jute is far from satisfactory; prices have dropped because of slack demand and growers cannot meet production costs.

NEW DELHI—The jute situation in India, both the production of raw jute and the manufacture of jute goods, is far from satisfactory in spite of the agreement recently made with Pakistan. Under this agreement,* Pakistan removed the export licence fee of Rs.2.8.0. per maund (80 lbs.) on raw jute exported to India which did not apply to other countries, and India undertook to license the import of at least 1·8 million bales a year, for a period of three years, beginning in March 1953.

Price to Growers Falls

The price which the growers now receive is so low that they cannot meet the cost of production. At the present time the price for Assam bottoms, one of the principal varieties grown in India, ranges from Rs.17.8.0. to Rs.20.0.0. per maund. During the period of short supply when prices were controlled, the average price for this variety was Rs.35, or approximately double the current uncontrolled price. Because of the difficulties the growers face, some quarters advocate that controls should be reimposed in some form. However, conditions today are vastly different from those which prevailed when prices were controlled. Then, it was a sellers' market. Today, it a buyers' market, both for raw jute and jute manufactures.

Industry Suffers Slump

In fact, the unsatisfactory price of raw jute is the result of the slump from which the jute goods industry is suffering and, because a large percentage of the production of jute goods goes to export markets, the industry itself is not able to offer higher prices for raw jute. It is estimated that, to manufacture 100 yards of 10 ounce 40 inch hessians or burlap at an economic price—taking into consideration current wages—Rs.20 per maund must be added to the cost of the raw jute. During the control period, when the price of raw jute was fixed at Rs.35 per maund, the controlled price for 100 yards of 10 ounce hessian was Rs.55. Today the price for this quality is about Rs.40. The relative difference between the price of raw jute and the manufactured article remains the same, Rs.20. Unfortunately, the price of Rs.20 to the grower is unremunerative.

The acreage sown to jute in India during the previous season amounted to 1·8 million acres. The sowing season for jute is principally March and April, although it extends into May in some districts. Great

* See article in the May 9 issue of *Foreign Trade*—Editor.

stress has been laid on increased production of raw jute in this country, but perhaps greater emphasis will now be laid on the necessity to produce jute of better quality. At present prices it is evident that the production of inferior grades does not pay, and this may mean a smaller acreage sown to jute during the current growing season.

Agreement Criticized

Because of the growers' difficulties, the recent jute agreement with Pakistan has been criticized. But the facts do not justify the criticism. The jute mills' annual requirements are considered to be approximately six million bales; Indian production is about 4·1 million bales. This leaves a deficit of 1·9 million bales which would have to be imported from Pakistan. Furthermore, according to the estimates of the Five Year Plan, the jute industry will require 7·2 million bales in 1955-56, and the target for Indian production at the end of the same period is given as 5·4 million bales. The deficit of 1·8 million is the quantity that India has agreed to license for import into India from Pakistan each year for the next three years.

The jute goods industry is divided into two broad categories—the manufacture of hessians or burlap, and the manufacture of sacking. Both sections have suffered from poor demand, but it is the lack of markets for sacking which causes the greatest concern, particularly as sacking consumes the largest share of the jute produced in India. A much larger proportion of superior quality Pakistan jute goes into the manufacture of hessians. The export markets for sacking lie mainly to the East and a three-man mission will visit Australia, always an important market, to see if the demand can possibly be increased.

Demand for Sacking Drops

There are a number of reasons why the demand for sacking has fallen off. The high prices which ruled in 1951 when an export duty of Rs.750 per ton was in force not only limited purchases, but also encouraged the establishment of jute factories in other countries such as Germany, Italy, the Philippines, and even Pakistan itself. A good number of these factories manufactured sacking. In addition, high prices gave a fillip to the use of substitutes, the most important of which are perhaps the changeover to bulk handling and the greatly expanded use of paper bagging.

It is only in recent weeks that production of sacking has shown a distinct decline. During the first three months of 1953, production amounted to 96 thousand tons, as compared with 144 thousand tons for the same period of 1952. Stocks during January and February of this year averaged 86,400 tons, as compared with 53,600 tons for the similar period of 1952. The Government, which had earlier reduced the export duty on sacking from a high of Rs.750 per ton to Rs.175, recently made a further reduction to Rs.80 per ton. The effect of this latest reduction is not yet apparent.

The industry's suggestion to relieve the situation was that a proportion of the sacking looms should be sealed off until stocks were reduced. The authorities refused this proposal on the ground that shipments during March had improved and, furthermore, it was too early to assess whether or not the reduction in the export duty to Rs.80 per ton would stimulate

demand. The increased March shipments could be attributed partly to the buyers who felt that the export duty was bound to be reduced and held up orders pending the announcement.

The Market for Hessians

Although the market for hessians has not deteriorated to the same extent as that for sacking, the present prices are not considered satisfactory. Production has been more than maintained, with the monthly average for the last six months of 1952 at 26,700 tons, and for the first two months of 1953 at 29,700 tons. Stocks on hand, however, indicate that shipments to overseas markets are slowing up. In October 1952, stocks amounted to 28,900 tons and by the end of February 1953 had risen to 38,600 tons. This is the highest figure for the past three years. In March —although prices remained unsatisfactory—shipments of both hessians and sacking improved considerably. Total shipments for the first three months of 1952 and 1953 are given below:

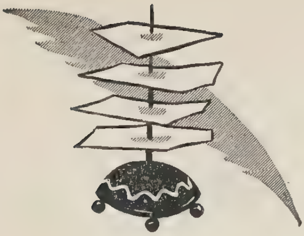
	1952 (tons)	1953 (tons)
January	84,000	47,000
February	52,000	36,000
March	74,000	71,000

The Outlook

Of the March 1953 shipments, hessians account for 38 thousand tons and sacking 32 thousand tons. It is not yet possible to judge whether the improved figures for March indicate an upward trend, or whether the April figures will again reveal a decline. However, the fact that shipments during March were roughly equal to stocks on hand for the month of February may be significant. If this trend continues for a few months the stocks on hand should be reduced to a more reasonable figure.

—RICHARD GREW
Commercial Counsellor for Canada

Time was when the jewellery and decorative trades were the principal buyers of the platinum metals. Since 1951, sales have taken a utilitarian turn, with the electrical and chemical industries the chief purchasers. Canada has a particular interest in the growing industrial demand for platinum metals because this country produces over half the annual world output, or some 269,900 fine ounces in 1952. These metals are derived as a by-product from the treatment of nickel-copper ores in the Sudbury district, and are refined in a special plant near London, England. Lagest part of the refined metals goes to the United States, the world's largest consumer of platinum metals. In 1951, for example, the U.S. used more than 462 thousand fine ounces.



GENERAL NOTES

DENMARK

Model Farm Established in Italy—A Danish-Italian contract has been signed, providing for the establishment of an experimental farm for Danish cattle some 25 miles outside Rome. A Danish agricultural expert, broadcasting from Copenhagen, reported this farm is intended to become a permanent institution for the exhibition of Danish cattle and other Danish agricultural products suitable for export. The farm will be organized and run on Danish lines and the stock of selected animals will be under the care of a Danish cattleman—Oslo, May 4.

ISRAEL

Crop Losses—The Ministry of Agriculture reports that a serious drought in the Negev desert area of the country has destroyed between 62,500 and 75,000 acres of crops, representing an investment of nearly I£2·5 million. It is estimated that these crop losses will necessitate the purchase abroad of 35 thousand tons of barley at a cost of $3 to $4 million—Athens, May 6.

NORTHERN RHODESIA

Hydro-Electric Power—Plans for the Kafue Gorge hydro-electric power project are proceeding, with a budget of £27·6 million. All power from the development, which will be operating in 1959, is already earmarked for the copper mines of Northern Rhodesia and for the Southern Rhodesia Electricity Supply Commission. Power requirements for new industries will be met from the Karriba extension to the project, with first power available in 1961 and adequate supplies by 1962—Cape Town, April 28.

UNITED STATES

Pulp Tonnage Heavy—The volume of wood pulp handled at Boston in January this year was almost one-third of that handled during the whole of 1952. Scandinavian wood pulp amounting to 15,066 tons was received at the Mystic and Hoosac docks during the month. Total tonnage for the same piers during 1952 was 45,958. Last year's relative inactivity is explained by the fact that Scandinavian prices were very high while stocks on hand in New England mills were large. Present prices are about $150 per ton as compared with $240 per ton asked at times last year—Boston, May 15.

West Germany

Transactions in Canadian Dollars

New foreign exchange regulations, just announced, permit German foreign exchange banks to settle in Canadian dollars transactions between traders in Canada and West Germany.

BONN—The Bank Deutscher Laender has announced new regulations for transactions in Canadian dollars. These place the Canadian dollar in substantially the same position as the U.S. dollar, and thus constitute a step towards greater freedom in foreign trading operations. They have been welcomed by both bankers and traders.

German foreign trade banks are now authorized to settle in Canadian dollars via Montreal or Toronto (i.e., instead of only in U.S. dollars via New York as heretofore) all transactions concluded between contracting parties in Canada and in the Federal Republic of Germany, including West Berlin, and any other transactions permitted under the German foreign exchange regulations.

As from today, May 11, 1953, the exchange rates for the Canadian dollar may be quoted not only on the Frankfurt financial exchange (Frankfurt is the headquarters of the Bank Deutscher Laender which, as the central bank of West Germany, controls all the internal and external financial policy and operations of the Federal Republic) but also on those at Berlin, Hamburg, Duesseldorf, and Munich.*

How Rates Are Established

The rates are to be established daily by authorized foreign exchange brokers between 13.15 and 13.45 hours on weekdays and between 11.15 and 11.45 hours on Saturdays. The brokers will establish middle, buying and selling rates but only the buying and selling rates will be published, the limits for which will be one-half pfennig** upwards and downwards reckoned from the middle rate.

The German foreign trade banks can exchange Canadian dollars freely against Deutsche Marks and U.S. dollars among each other and with the Bank of Canada and with the following Canadian chartered banks:

Bank of Montreal, Montreal
Bank of Nova Scotia, Halifax
Bank of Toronto, Toronto

* Similar authority was granted from May 4 for the Belgian franc, the Dutch florin, the French franc and the Swiss franc.
** 100 pfennigs=1 D Mark.

Banque Canadienne Nationale, Montreal
Barclays Bank (Canada), Montreal
The Canadian Bank of Commerce, Toronto
The Dominion Bank, Toronto
Imperial Bank of Canada, Toronto
Provincial Bank of Canada, Montreal
The Royal Bank of Canada, Montreal

as well as with banks in the United States, against U.S. dollars and with their customers against Deutsche Marks.

The B.D.L. will deal with the foreign trade banks, in principle through a broker, at the official daily middle rates. In forward exchange transactions, "own positions" (positions not based on delivery of goods or services rendered) will not be permitted.

The B.D.L. has stated that it will "keep as far away as possible from the forward exchange market" and that it will not quote any forward rates in order that they may develop freely from the play of the market. It reserves the right, however, to intervene if necessary.

Canadian Dollar Accounts Opened

The foreign exchange banks are also authorized to open, as agents of the B.D.L., Canadian dollar accounts with the Canadian banks named above. Such accounts are to be established under the heading "X Bank, as agent of the B.D.L.—Canadian dollar account".

The B.D.L. itself has now established five accounts in Canada—one each with the Bank of Canada in Ottawa, and with the offices of the Bank of Montreal and of the Royal Bank of Canada in Montreal and Toronto.

The German foreign trade banks must report to the B.D.L. once a month the position and turnover of their Canadian dollars, as well as the amounts of the Canadian dollar accounts of resident holders. They must also continue to report all receipts of Canadian dollars from exports and from services rendered.

Authority Given Trade Banks

Finally, the foreign trade banks are authorized to:

- Buy Canadian coins and notes for their own account, to deposit them to their specie accounts and to sell them for tourist needs.

- Trade freely among each other in such coins and notes.

- Send Canadian dollar coins and notes directly to their correspondents for crediting.

This last provision will be welcomed by Canadian travellers and others who have frequently found in the past that Canadian banknotes, and even in some cases travellers' cheques, were accepted reluctantly in Germany (and elsewhere in Europe) because of the difficulty of disposing of them.

—Bruce A. Macdonald
Commercial Counsellor for Canada

TRADE AND TARIFF REGULATIONS

COLOMBIA REDUCES LIST OF PROHIBITED IMPORTS

THE MOST SWEEPING REMOVAL of import prohibitions in the last two years was recently promulgated by the Government of Colombia in their Decree 988, which became effective April 16th. Included in the group are such important items as dried fish, fresh and frozen meat, and motor cars weighing more than 1,650 kilograms.

Such action is indicative of the country's steadily improving financial position as foreign currency and gold reserves have jumped from 202 million pesos* at December 31, 1950, to 303 million pesos at the end of 1952. No small share of the credit for this improvement is attributable to the extensive list of prohibited imports which was introduced on March 20, 1951, and has since played an effective role in conserving exchange. Despite the latest move which reduces the list, 509 tariff items still remain on it and Decree 988 stipulates that the items just released may only be purchased with certificates of exchange which are currently selling at 50 per cent above the official exchange rate.

Specifically the items that have been deleted from the list of prohibited imports are the following:

- Fresh, frozen or refrigerated meat, except bacon
- Salted, dried or smoked fish
- Lobsters, crabs, shrimps, oysters and mussels
- Cherries
- Sausages of all types
- Liverpastes and sandwich spreads
- Caviar
- Small crustaceans and molluscs, pickled or preserved
- Preserved mushrooms
- Canned fruits, preserved in alcohol or brandy
- Fruit juices with alcohol
- Preparations for soups and broths
- Pipe and plug tobacco
- Perfumes and cosmetics
- Playing cards
- Natural silk yarn
- Plain linen fabrics
- Linoleum and similar articles
- Dress shirts
- Sails for boats
- Glass jewels and parts for chandeliers
- Stained glass windows and glass mosaics
- Uncut precious and semi-precious stones
- Articles of nickel, gilded, silvered or inlaid with precious stones and other manufactures of nickel
- Table utensils of ordinary metals
- T.V. receiving sets and amplifiers of all kinds

* One peso equals approximately 40 cents Canadian.

Motor cars weighing over 1,650 kilograms (smaller cars are already permitted importation from Canada)
Pocket and wrist watches
Pianos
Gramophones
Spare parts for nickelodeons and juke boxes

—WILEY J. MILLYARD
Commercial Secretary for Canada, Bogotá

UNITED KINGDOM

Goods Sent from Abroad for Repair—Goods sent to the United Kingdom for repair and immediate return to the senders abroad are, in general, specially exempted from United Kingdom import licensing requirements and customs duties, provided the facts are declared by the United Kingdom importer to the Customs Officers. Senders can assist the United Kingdom importer to avoid delays in clearing the goods through the Customs if they will give him advance notice of the despatch of the goods, together with a full description of the articles and the reason why they are being sent to him. In this way the relevant facts can be brought to the notice of the U.K. Customs immediately the goods arrive and the importer is able to establish his claim to special exemption without delay.

If the goods which are being sent for repair were originally supplied from the United Kingdom, it will also help in Customs clearance if the senders will supply to the importer particulars (e.g., invoice references) of the original exportation from the United Kingdom.

If the goods are sent by post, the label or wrapper of the parcel should be clearly marked "Goods for repair and return" or "United Kingdom goods for repair and return", as appropriate.—(*Board of Trade Journal,* London, April 25, 1953).

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, France, Western Germany, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·0025.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. May 14*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1330	
		Basic buying	·1995	(1)
		Preferential selling	·1995	
		Basic selling	·1330	
		Free	·07180	
Austria	Schilling		·03837	
Australia	Pound		2·2435	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01999	
Bolivia	Boliviano	Official	·01663	tax 5% (1)
		Differential	·00992	tax 3% 2
British West Indies	Dollar		·5842	(3)
	Pound		2·8044	(4)
	Dollar	Brit. Honduras	·7010	
Brazil	Cruzeiro	Official	·05392	tax 8% (2)
		Free	·02243	
Burma	Kyat		·2103	
Ceylon	Rupee		·2103	
Chile	Peso	Official	·03212	(1)
		Commercial	·01661	
		Free	·00907	
Colombia	Peso	Basic	·3990	tax 3% (2)
		Coffee buying	·4303	
Costa Rica	Colon	Official	·1776	(5)
		Free	·1482	*April 15
Cuba	Peso		·9975	tax 2%
Czechoslovakia	Koruna		·01995	
Denmark	Krone		·1444	
Dominican Republic	Peso		·9975	
Ecuador	Sucre	Official	·06650	(6)
		Free	·05773	
Egypt	Pound		2·8644	
Fiji	Pound		2·5265	
Finland	Markka		·00434	
France	Franc		·00285	
French Africa	Franc		·00569	
French Pacific	Franc		·01565	
Germany	D Mark		·2375	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9975	
Haiti	Gourde		·1995	
Honduras	Lempira		·4987	
Hong Kong	Dollar	Free	·1653	*May 1
Iceland	Krona	Official	·06125	
		Special buying	·04718	
		Special selling	·03819	
India	Rupee		·2103	
Indonesia	Rupiah	Basic	·08750	(7)
		Dollar certificate	·00185	*April 15

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. May 14	Notes (See below)
Iran	Rial	Certificate I	·01026	*April 22
		Certificate II	·01015	*April 22
Iraq	Dinar		2·8044	
Ireland	Pound		2·8044	
Israel	Pound	Basic	2·7930	
		Special	1·3965	
		Investment	·9975	
Italy	Lira		·00160	
Japan	Yen		·00277	
Lebanon	Pound	Free	·2832	*
Mexico	Peso		·1153	
Netherlands	Guilder		·2625	
Netherlands Antilles	Guilder		·5289	
New Zealand	Pound		2·8044	
Nicaragua	Cordoba	Effective buying	·1511	(8)
		Official	·1414	
		With Surcharge I	·1239	
		With Surcharge II	·09925	
Norway	Krone		·1396	
Pakistan	Rupee		·3015	
Panama	Balboa		·9975	
Paraguay	Guarani	Basic	·06650	(1)
		With Surcharge I	·04750	(9)
		With Surcharge II	·03325	
Peru	Sol	Certificate	·06049	
Philippines	Peso		·4987	tax 17% (2)
Portugal	Escudo		·03483	
El Salvador	Colon		·3990	
Singapore & Malaya	Straits dollar		·3272	
South Africa (Union of)	Pound		2·8044	
Spain & Dependencies	Peseta	Basic buying	·04555	
		Basic selling	·08890	
		Basic commercial selling	·06073	(1)
		Free	·02532	
Sweden	Krona		·1928	
Switzerland	Franc		·2328	
Syria	Pound	Free	·2710	*April 15
Thailand	Baht	Official	·07980	(1)
		Free	·05867	*March 31
Turkey	Lira		·3562	
United Kingdom	Pound		2·8044	
United States	Dollar		·9975	
Uruguay	Peso	Official	·6567	
		Basic buying	·5603	
		Special buying	·4244	(1)
		Basic selling	·5250	
		Special selling	·4071	
Venezuela	Bolivar		·2978	(10)
Yugoslavia	Dinar		·00332	

[1] Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic rate plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

foreign trade

MAY 30, 1953

foreign trade

'OL. 13 OTTAWA, MAY 30, 1953 NO. 335

VER . . . When Queen
abeth II toured the
monwealth section of the
h Industries Fair in London
ntly, she paused to ad-
the central panel of the
adian Government ex-
. with its expression of
age. Standing to the right
ie Queen is R. P. Bower,
mercial Counsellor for
ada in London.

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

Five Hundred Years of Rubber

From the crude Indian shoes of latex which Columbus reported to today's myriad uses, rubber has travelled the long trail blazed by research and constant experiment.

RUBBER IS INDISPENSABLE in the modern world. Automobiles, buses, trucks, airplanes, radios, telephones, and hospitals—in fact, today's civilization depends upon this unique substance which, when stretched or compressed, will snap back into its original size and shape.

Chemically, rubber is a hydrocarbon $(C_5H_8)x$ soluble only in carbon disulphide, carbon tetrachloride and in certain volatile oils such as turpentine, ether and gasoline. It is the only material that combines certain essential characteristics—elasticity, impermeability, softness and toughness, adhesion and electrical insulation.

From Columbus to Priestley

Natural rubber has been known for over five hundred years. Christopher Columbus, during his second visit to the West Indies in 1493, was amazed to find the natives of Haiti playing with bouncing balls. He saw others wearing crude shoes made of the same substance. By smearing their feet with latex, which dried as a thin rubber film, and by repeating the process several times, the natives eventually acquired a pair of rough waterproof shoes. They also made water-tight bottles by dipping a mould the shape of a bottle into latex and drying each coating over a fire. This formed a thick rubber skin. The mould was then broken and removed and a serviceable bottle appeared. The natives had learned how to collect the white, milky secretion known as latex, which they found under the inner bark of certain indigenous trees, and turn it to their own advantage.

Many of these native rubber articles were brought home to Spain and Portugal as curios, yet no one realized the immense possibilities of this amazing substance until 250 years later.

In 1745 the Paris Academy of Sciences engaged the well-known French engineer and scientist Fresnau to report on rubber. Fresnau and his party landed at what is now known as French Guiana and watched the natives tap their "cahutchu" or "weeping" trees. Ever since, the French word for rubber has been "caoutchouc".

Dr. Joseph Priestley, the English scientist and discoverer of oxygen, gave rubber its English name. In 1770, he was handling a small lump of the material and found that it would rub out pencil marks. From this incident came the word "rubber".

The baffling question that confronted both European and American scientists was what to use as a solvent for rubber. Untreated, rubber latex turns sour and solidifies after a few hours. The West Indies natives

—U.K. Information Office

These Indian, Malay and Chinese girls are packing sheets of crepe rubber on an estate in Malaya. Rubber production there began about 1889, when half a ton was produced; today annual output averages 1¾ million long tons.

did not need a solvent because they used the latex soon after they collected it. Turpentine, ether, naphtha and other known solvents were tried, but always with the same result. In hot weather, fabrics coated with rubber became oozy and tacky and in cold weather, very stiff. Charles MacIntosh, a Glasgow manufacturer, made the first waterproof coat by spreading a rubber solution between two layers of cloth, but the old problem remained. In frosty weather there was no need to hang up the "Mac"—it stood up of its own accord.

Vulcanizing Method Discovered

Thomas Hancock, a London carriage builder, began in 1819 to experiment with rubber and realized its great possibilities, but it was not until 1844 that he produced rubber as we know it today. He found that by mixing various quantities of sulphur with rubber and heating the compound for various lengths of time, almost any desired kind of rubber could be obtained—soft, medium or hard. Further, and of equal importance, changing weather conditions no longer affected the product. This process is known as vulcanization, from Vulcan, the god of fire. Charles Goodyear, an American, actually stumbled on the same solution in 1839 but could get no one to finance his discovery and kept it to himself for five years.

Following the discovery of vulcanization, the demand for raw rubber soared and at that time most of it was obtained from the Hevea Brasilien-

sis trees in the Amazon jungle. Communications were very poor and costs high and, as a result, both Hancock and Goodyear suggested planting in other parts of the world. Quinine had been successfully transplanted from Peru to Java and Chinese tea had done very well in Ceylon. The Brazilians, however, did not wish to lose their monopoly in rubber and forbade the export of the seeds.

It was left to Henry A. Wickham, an English coffee planter who had spent several years in Brazil, to obtain the seeds. Wickham managed to send 70,000 of them to Kew Gardens and not long after, the seedlings found a home in Malaya and Ceylon. Wickham was knighted for this work and is called "the father of plantation rubber". In 1889, about half a ton of rubber was produced in the Far East, yet only 63 years later, in 1952, production of natural rubber totalled 1,762,000 long tons.

Synthetic Rubber Appears

In addition to natural rubber, so-called synthetic or chemical rubbers are now widely used. Because many of them are more closely allied to plastics than to rubber, it is generally agreed that synthetic rubbers shall include only co-polymers of butadiene and styrene (Buna-S); co-polymers of butadiene and acrylonitrile (Buna-N); neoprene, and butyl. Petroleum is the raw material from which most butadiene is made, and alcohol, although more expensive, is also used extensively at the present time. Neoprene is made from acetylene, salt and sulphuric acid, and butyl from isobutylene, also a petroleum derivative, and butadiene.

Neoprene was the first of these synthetic rubbers to be produced commercially; it was made by Dupont in 1932 and sold for $1.05 a pound. The average price for natural rubber during that year was 3½ cents a pound. Neoprene resists oils, chemicals, sunlight and heat better than natural rubber but is not as good an insulator from electric shock. In 1937 the Germans produced Buna-S, a general purpose rubber, and Buna-N, a special purpose rubber. Intense research by American chemists followed these German discoveries and by 1940 resulted in pronounced improvements in Buna-S and Buna-N. The Standard Oil Company filed world patents on butyl rubber in 1938. This material is practically impervious to air and has proved superior to natural rubber for inner tubes.

Canada's Rubber Industry

The Japanese attack on Pearl Harbour on December 7, 1941, was the spark which touched off the vast synthetic rubber program in the United States and also hastened the construction of the Canadian synthetic rubber plant in Sarnia. Overnight, supplies of Far Eastern rubber were cut off from the Allies. Fortunately, there had been heavy stockpiling by the United Kingdom, the United States and Canada. This commendable foresight gave the United States and Canada the breather needed to get these plants into operation. In 1944 the United States produced 765 thousand long tons of synthetic rubber and Canada 35 thousand long tons. Only two years earlier, the United States production amounted to only 22,500 tons and none at all was made in Canada.

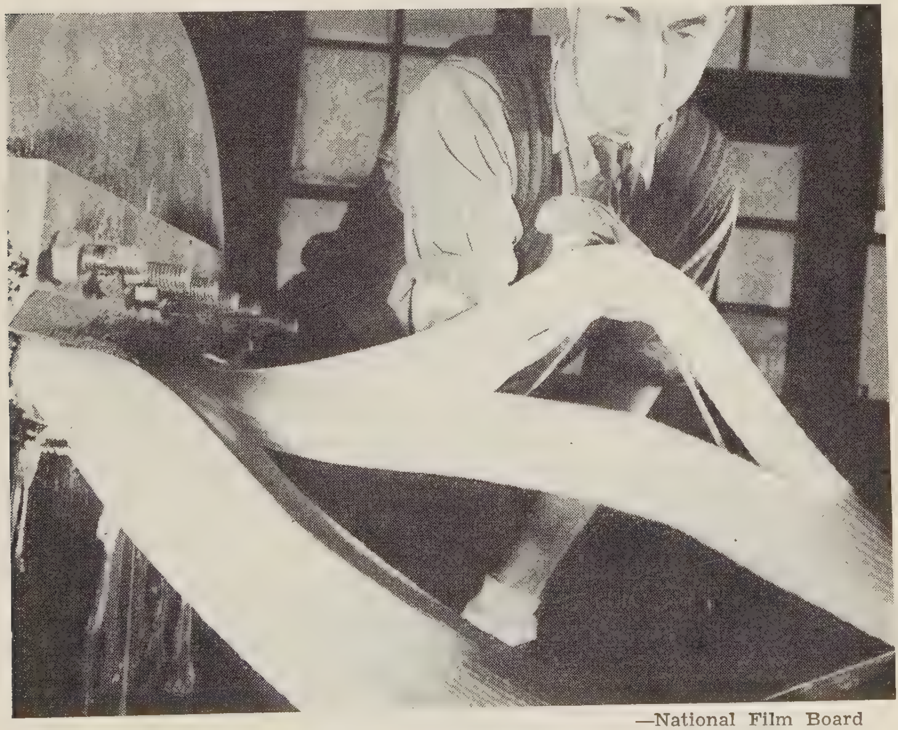
Canada's interest in rubber is extensive. We have a $75 million investment in the Crown company, Polymer Corporation, the only synthetic rubber plant in the British Empire. In addition, a total of approxi-

mately $125 million is invested in 65 rubber products industries located in the provinces of Quebec and Ontario. The entire industry employs some 25,000 people.

The Sarnia plant is unique in several important respects. It is the only plant producing the two principal types of synthetic rubber—i.e., Buna-S, more commonly called GR-S, and butyl—and the components as well, all under one roof. In the United States, all food stock and co-polymerization plants are separate units and usually located at some distance from each other.

In 1952, Canadian rubber plants consumed 33,500 long tons of natural rubber, 33,500 long tons of synthetic rubber and 13,500 long tons of reclaimed—for a grand total of 80,500 long tons. All the natural rubber came from the Far East and is thus an important dollar earner for the sterling area. The consumption curve points to an ever-increasing volume for the years ahead.

In addition to Polymer's output, which has now been stepped up to some 80,000 tons a year, our rubber products industries turn out a fascinating array of goods. There must be more than a thousand different items. Chief among them are tires and tubes for all manner of vehicles, from baby carriages to large earth-moving machines. (The largest of these earth-moving tires are worth about $2,000 each.) The Canadian industry also produces fan belts; transmission and conveyor belting; fire, air, steam and suction hose; rubber thread; friction tape; floor mats; tiling; flooring; battery boxes; hot water bottles and druggists' sundries;



—National Film Board

These are continuous threads of synthetic rubber as they come from the extruding machine, after they have been bound together by heat and pressure. Canada's output of synthetic now is 80 thousand tons a year.

horseshoes; toys, novelties; miscellaneous auto parts and foam rubber. Incidentally, today's cars use more rubber in miscellaneous parts than in a set of tires and tubes.

Per Capita Consumption

The gross value of Canadian-produced rubber and rubber products in 1952 approximated $315 million and this, for a country of 14½ million people, is impressive. In fact, the United States is the only country whose consumption exceeds that of Canada on a per capita basis. The figures for 1952 are:

United States	18 lb.
Canada	12 lb.
United Kingdom	11 lb.
France, Sweden	7 lb.
Switzerland, Belgium, Denmark, West Germany	6 lb.
Holland, Norway	5 lb.
Australia, Finland	3 lb.
Latin America	2 lb.

The discrepancy between the United States and Canada is mainly due to motor vehicle registrations. In the United States registrations equal one vehicle for every three people; in Canada, one vehicle for every five people.

The Outlook

Altogether, the picture looks bright for both producers and consumers of rubber. The ever-increasing population and the growth in motor vehicle registrations, together with the new uses to which rubber is constantly put, point unerringly in that direction.

—F. T. Carten
Commodities Branch

A small but important way in which atomic energy is serving industry was reported recently by the National Research Council.

One of the safety devices built into ammunition components is a tiny copper ball, put there to prevent a backward blast that might damage the gun or injure the crew. The problem: how to check whether the ball is there after the whole component has been assembled and the ball itself hidden from sight. X-rays have been doing the job—but the method used proved laborious and expensive.

Scientists seized on the fact that the copper used in making the balls contained minute amounts of silver. As a result, when the balls were exposed to radiation, the silver became radioactive, and shot out gamma rays which could be picked up by a Geiger or scintillation counter. Now a demonstration model of a detector device based on this principle has been built by NRC's radiation laboratory. It accepts the ammunition component if it is radioactive, rejects it if it is not.

PERU

Sound Policies Pay Off

Good crops, increased industrial production, an influx of investment capital, and wise government policies combined to keep Peru progressing steadily in '52.

LIMA—Favourable economic conditions have continued throughout 1952, giving further proof of the soundness of the Government's economic policy adopted in 1951. Industrial and agricultural production increased; exports of cotton, sugar and metals, although down slightly in price, were up in volume. Imports remained high, equilibrium in the balance of payments was maintained by invisible items (estimated at US$100 million), principally investment capital. Domestic prices continued the slight rise evident early in the year, and inventories, particularly of consumer goods, were still above average.

Agriculture Prospers

Favourable weather, combined with an abundance of rain and greater mechanization (financed in part by an International Bank loan of $1·3 million) made 1952 an excellent year for agriculture. The cotton yield was 92 thousand metric tons (1951=83,231 metric tons) nearly 75 per cent of which was exported, principally to Chile, France and Great Britain. The outlook for the 1953 cotton crop is bright, although unusually high seasonal floods have caused some losses.

Fine sugar production in 1952 is estimated at 470 thousand M.T. (1951=463,752 M.T.). Exports are estimated at 296,300 M.T. (1951=263,758 M.T.). Principal customers were Chile, Bolivia, Uruguay, the United States and Japan.

The rice crop was estimated at 240 thousand M.T., the largest on record. This slightly exceeds domestic demand but little is being exported and the surplus is held in reserve for later domestic use.

Mining and Petroleum

Revised estimates of 1952 mineral production are: lead, 109,349 metric tons of fine metal; copper, 30,910 metric tons, and zinc, 132,924 metric tons. Production in 1953 is not expected to increase.

Petroleum production in 1952 totalled 16,402,000 forty-two gallon barrels (1951=15,109,896), and in 1953 will probably rise to 16,813,700 barrels. Domestic demand in 1952 for all types of petroleum products was 10,341,000 barrels, an increase of 7·5 per cent over 1951. This year, demand is expected to be up 16 per cent.

73507—3

Gross national income from industrial production in 1951 was estimated at soles 4,956,393,000. Comparative figures for 1952 are not yet available but preliminary reports indicate the total will be up between 5-8 per cent. The cost-of-living index continued to rise but there were no serious labour troubles. Customs duties were increased on a number of items during the year, in response to appeals from local industry for protection.

Internal Economy

Peru again had a balanced budget. The 1953 budget, at 2,779 millions of soles, is about 8 per cent above that of 1952. Continuing its conservative tendency, the Government has put most of the increase into special accounts for public works which can be dropped if revenues are not up to estimates. In anticipation of higher duties, abnormal amounts of certain goods were imported and this often added stock to the already too-heavy inventories. Many importers and some wholesalers and retailers had to borrow to meet their accounts. Liberal credit terms continued to be granted, with instalment purchasing customary for most high-priced consumer goods. Bank collections on domestic bills were slow. Foreign accounts awaiting payment at year-end showed a sharp increase over 1951. Under present circumstances, exporters must sometimes extend terms to meet competition and in such cases they are advised to check closely, in advance, the financial status of their customers.

Foreign Commerce

Imports into Peru from all countries in 1952 amounted to US$287 million (1951=$279 million). Exports for the year amounted to US$238 million (1951=$252 million). According to the Dominion Bureau of Statistics, Canadian exports to Peru in 1952 amounted to $16,404,770, more than three times the amount for the previous year—$5,054,137. Principal imports from Canada were wheat, machinery and parts, evaporated milk, automobiles and trucks, newsprint, malt, mining machinery and parts. Canadian imports from Peru in 1952 amounted to $8,050,129 (1951=$5,582,046), with ores of metals and canned fish the leaders.

United States exports to Peru in 1952 are estimated at US$120 million, up slightly over 1951. Machinery, automobiles and other vehicles, construction and electrical machinery, metals and electrical manufactures bulked large among these goods. At the same time, Peruvian exports to the United States reached $70 million, an increase of more than 25 per cent, with lead and zinc accounting for more than half of the total.

The Lima Chamber of Commerce has estimated that Peruvian exports for 1953 will probably be down to about US$210 million; imports, it is expected, will remain at about the same level. The increase in investment capital which, it is hoped, will flow into the country as a result of the new petroleum exploitation, is expected to offset the unfavourable balance.

Canadian exporters are again urged to consider this small but important export market which imposes no import or currency restrictions.

—Harry J. Horne

Commercial Secretary for Canada

United Kingdom

Office Machinery Earns Dollars

LONDON—The United Kingdom today ranks second only to the United States as an exporter of office machinery and equipment. In 1952, despite import restrictions that hampered sales in certain traditional markets, the office equipment industry established an export record for the seventh straight year. Sales overseas reached a value of approximately £14 million—some £5¼ million more than in 1950. Shipments to dollar areas in 1952, at just over £2 million, were 354 per cent greater than in 1950 and larger than the total output of the industry in any one prewar year.

The calculating and accounting machinery sections did particularly well. Exports from these branches were valued at £3,196,788, an increase of 141 per cent over the year before. When one realizes that the 1950 figure was double the 1949, and 225 per cent more than in 1948, one can appreciate the importance of the industry as a foreign exchange earner.

Typewriter exports, although somewhat lower in 1952 than the year before, were 50 per cent higher than in 1950 and brought over £2 million worth of foreign currency into the country.

One of the most gratifying aspects of this industry is its success in penetrating the dollar markets. Sales to the U.S. (at £1,413,417) have increased by 660 per cent in two years and those to Canada (at £485,833) by 109 per cent.

Production Stepped Up

The industry's production before the war was valued at approximately £2 million—of which not more than a quarter was ever exported. By extending the range and enlarging production capacity, manufacturers are now turning out a much wider variety of equipment with a value of over £40 million a year. The industry plans further expansion and expects an annual production in the neighbourhood of £45 million within a year or two.

Over 160 thousand typewriters were produced in 1952, double the number made in 1949. Shortages of certain raw materials throughout 1952 impeded production, but the improvement toward the end of the year suggests that 1953 will establish a new record.

Visitors to the 40th Business Efficiency Exhibition in London, which opens at Olympia on June 16, will have an opportunity to see for themselves the scope and variety of office machinery and equipment made in Britain. Eighty of the major firms in this field are planning displays, and altogether the exhibit will cover 170,000 sq. ft. The equipment to be shown ranges from giant electronic brains to office systems for the one-man business and for the professional man, and from an electronic machine for making duplicator stencils of photographs to a machine for counting notes, cheques and silver.

—R. P. BOWER
Commercial Counsellor for Canada

73507—3½

United States

The Market for Fish in '53

By mid-year, the frozen groundfish fillet market is expected to be nearly normal, after an earlier price decline; the market for canned fish is particularly strong.

NEW YORK—During 1952, more than 50 per cent of U.S. imports of groundfish, fresh or frozen, came from Canada. In the early part of the year, prices rose over those of 1951, sometimes by six cents a pound. In the summer and fall, however, heavy imports—especially from Iceland and, to a lesser extent, Norway and some of the newer supplying countries—resulted in a large accumulation of stocks during a low consumption period. This depressed prices and, by the end of the year, with heavy stocks (particularly of cod fillets) unsold, the market dropped to the year's low.

Frozen Groundfish Market

Prices of frozen groundfish fillets declined still further during January and February of 1953. This decline applied particularly to cod, although prices of haddock and ocean perch fillets also dropped slightly. Various reasons have been given for the drastic drop in prices of cod fillets, including heavy stocks, reduction in meat prices, and low prices of European frozen fish. Other trade specialists found part of the cause in a reluctance on the part of large retail chain stores to carry normal stocks since early last fall, because of uncertain business conditions. This meant that heavy stocks piled up in public cold storage warehouses. It is probable that these conditions combined to cause the depressed state of the market, although it is felt that prices need not have declined as much as they did, particularly on frozen cod fillets.

Consumer Demand High

On the other hand, consumer demand for frozen groundfish fillets during the first four months of 1953 was exceptionally good, some distributors reporting that stocks moved out in much heavier quantities than during the same period in 1952. U.S. public cold storage holdings as at May 1st are not yet available; however, stocks on April 1st showed a substantial decline from the previous month and, with heavy sales in April, the stock position now should be much improved, particularly on cod. Beef prices have levelled off and it is felt that present prices will prevail for some months to come. Prices of frozen groundfish fillets on stocks held by Icelandic and Norwegian importers have increased by a fair margin during recent weeks, and are now almost equal to the prices which prevailed early last fall before the decline began.

The Norwegian cod fishery this season, according to reports received by this office, is substantially lower than last year's and because of this, importers of Norwegian frozen groundfish fillets expect to receive much smaller supplies of cod fillets this year than last. In view of all this, it is felt that by mid-year the frozen groundfish fillet market should be normal or near normal, provided that exporters hold to a firm price position on new production at about the same prices as those of last summer and early fall.

Educating the Consumer

During the past few months, private firms, government agencies, trade associations, etc., have undertaken a program of promoting frozen groundfish fillets in an endeavour to increase consumption. Further, new methods of processing have been introduced and all of this will certainly make the consumer more fish-conscious, with a corresponding increase in sales.

The United States holdings of frozen groundfish fillets in public cold storage warehouses on April 1, 1953, with the comparative inventories on April 1, 1952, were:

	April 1, 1953 pounds	April 1, 1952 pounds
Cod	10,335,292	5,680,016
Haddock	10,571,148	6,864,670
Ocean perch	9,300,273	10,185,499

The stocks shown above overshadow the fact that 1952 sales increased more than 100 per cent over 1940. According to a recent survey made by the frozen foods industry, frozen food sales by wholesalers and distributors included a higher relative proportion of fishery products during 1952. Analyses show that fishery products accounted for 11·4 per cent of their frozen food sales. This put fishery products third in sales, behind vegetables (first with 30·4 per cent) and concentrates (second with 25·7 per cent). A similar survey for 1951 revealed that fishery products (9 per cent) ranked sixth in sales, behind vegetables (32 per cent) and concentrates (23 per cent). The same surveys throw some light on the average mark-up on the various categories of frozen foods by distributors and wholesalers. Fishery products were given an average mark-up of 17 per cent in 1952, as compared with an average mark-up of 17·5 per cent in 1951.

Sales of Cured Fish

The market for cured fish during the first four months of 1953 followed a pattern like that of the last few months of 1952. Whole salted cod and boneless cod strips were in excellent demand, with slack supplies and slightly higher prices. The cured herring market was good and prices remained fairly high until Norwegian prices were announced during the latter part of January. Since then, demand has continued strong, but prices have weakened because of the low prices offered by Norwegian exporters.

The pickled mackerel market was almost chaotic during January and February and, because of substantial stocks in the hands of Canadian exporters, prices slumped to the lowest figure in several years. Little if any improvement has taken place up to now.

The market for cured fish during the remainder of 1953 is expected to continue on a similar pattern to that given above.

The market for most fresh-water fish was favourable during the first four months of 1953 and this condition is expected to continue for the remainder of this year.

Prospects for Canned Fish

The market for canned fish products was strong on all items during the first four months of 1953 and the outlook for the remainder of the year is for a broad buying interest, price firmness and well-balanced supply and demand. In fact, the general market is believed to be facing one of the best seasons in its long history. By far the outstanding feature of the entire canned fish group is price firmness. There is no scarcity of supply except for a few isolated items and there is no important surplus. Salmon prices are high as compared with other canned fish products. There has been sufficient absorption to bring about small unsold stocks of many qualities, especially reds, pinks and cohoes. The tuna fish market continues to improve, especially in prices.

The sardine pack on the West Coast was a total failure and, if the present move to curtail fishing operations through legislation in California is successful, there will be no packing for the next three years. Meanwhile, Maine sardine canners hold a small total of the 1952 pack unsold.

The market for live, canned and frozen lobster was good for the first four months of 1953 and for the remainder of this year this should continue.

The fishmeal market during the first four months of 1953 was steady, with supplies light and demand active. Although imports are expected to be heavy for the remainder of 1953, they should not be sufficient to disturb the current market position.

The fish oils market during the first four months of 1953 was weak, with liberal supplies and a slow demand. This condition may continue for a month or two and it is very difficult to forecast market trends for the remainder of the year.

—M. B. Bursey

Consul of Canada and Trade Commissioner (Fisheries)

Transportation

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

Sportswear on Parade

In an attractive Laurentian setting, leading U.S. retail executives, buyers and fashion writers were recently introduced to Canadian-made sportswear, in a project to advertise Canada as a nearby and worthwhile source of supply.

HIGH QUALITY SPORTSWEAR made in Quebec, Ontario and British Columbia was the attraction when leading executives and buyers from the United States attended a fashion display on May 15th in the heart of the Laurentians. The occasion was a Canadian Sportswear Fashion Show, organized by a group of Canadian sportswear manufacturers with the co-operation of the federal Department of Trade and Commerce and the Provincial Government of Quebec.

Invitations were accepted by merchandise managers of leading retail stores and other sportswear buyers in New York City, Philadelphia, Washington, D.C., Chicago, Dallas, Texas, San Francisco and Seattle. The group also included fashion editors and stylists from *Harper's Bazaar, Life, Look, Mademoiselle,* the *New York Herald-Tribune* and *Women's Wear Daily.*

Purpose of the Show

Government sponsorship of the show was based on the general premise that Canada constitutes a nearby source of supply for quality goods in many lines. It helped to demonstrate that United States buyers can leave New York in the morning, examine first-class merchandise in pleasant surroundings, and return home the same day. The setting chosen for this particular show was the Alpine Inn, Ste. Marguerite, Quebec, skiing rendezvous and summer resort.

The visitors were men and women who are constantly searching for original styles for a discriminating public in the United States. They were flown from New York to Dorval Airport and continued northward by car. On arrival at Ste. Marguerite, they were welcomed by representatives of the Federal and Provincial Governments and by the principals of firms participating in the display.

In sixty minutes, Canadian fashion models then paraded sixty top-quality garments for the visitors to examine and appraise. Some of the clothes were greeted with applause and all won admiration and enthusiastic comments. Interested buyers discussed materials, prices and delivery dates with the manufacturers and many arranged subsequent appointments with them. Then, after a buffet supper, the visitors were returned to Dorval and from there flew back to New York.

This unique fashion show gave rise to some favourable observations. The visitors displayed interest in the fact that some of the materials were imported from England and Scotland and had been converted by Canadian workmen into creations that would definitely attract discerning buyers in the United States. It was suggested that, if Canadian firms are genuinely

—Capital Press Service

An attractive model displays Canadian-made skiwear at the Ste. Marguerite showing. The American visitors—retail executives, merchandise managers, and fashion writers—give the show their undivided attention. In the background, Rosemary Boxer of Toronto, the commentator.

interested in capturing a share of the American market as their efforts to arouse interest in Canada as a source of supply suggest, they should continue to concentrate on quality.

Wm. Frederick Bull, Deputy Minister of Trade and Commerce, welcomed the visitors on behalf of the Federal Government and Georges Léveillé, Director of the Quebec Publicity Bureau, traced briefly the development of the textile industry in Quebec, where it now ranks with agriculture in numbers employed and value of output. James A. Walker of Prescott, Ontario, spoke for the participating producers. Miss Rosemary Boxer of Toronto, who with Miss Olivia Chilton of Montreal co-ordinated the show, acted as commentator.

Many Firms Represented

The following Canadian firms were represented in the display: Gordon Manufacturing Company, Limited, Montreal; Nat Gordon, Inc., Montreal; the Phil Cohen Company, Montreal; Wellington of Canada Sportswear, Limited, Prescott, Ont.; Warren K. Cook, Limited, Toronto; Aljean Sportswear, Limited, Vancouver; Sportrite Junior, Limited, Toronto; Vineberg Pants and Sportswear Limited, Montreal; Chic Parisien, Montreal; Tyrol Shoe Company, Montreal; Johnny Brown, Montreal; Piko and Coro.

American retail houses represented at the fashion show were: B. Altman & Company, Associated Merchandising Corporation, Frederick Atkins, Inc., Gunther-Jaeckel, De Pinna, Saks Fifth Avenue and Lord & Taylor, New York City; The Blum Store and John Wanamaker, Philadelphia; Julius Garfinckel & Company, Washington, D.C.; Carson Pirie

—Capital Press Service

The six young ladies who acted as models came from Montreal, Toronto and Vancouver. Here they display some of the smart yet practical sportswear in front of the Alpine Inn, setting for the show.

Scott & Co. and Marshall Field & Company, Chicago; I. Magnin & Company, San Francisco; Best's Apparel, Seattle; and Neiman-Marcus Company, Dallas, Texas.

American Comment

Writing in *Women's Wear Daily,* Miss Dorothy L. Wallis reflected much of the atmosphere surrounding the group of American buyers and fashion writers and indicated some of the beneficial results derived from the gathering at Ste. Marguerite.

"Perhaps it's because they deal with a mobile commodity, but Fashion People certainly are flexible," she said. "When plans go awry, they make the best of it. Indeed, sometimes a spirit of gaiety develops among comparative strangers which would not otherwise exist if schedules were followed according to plan. Faced with unexpected situations, beautiful friendships begin; an all-in-the-same-boat feeling.

"The group of retailers and press invited to attend the first group showing of sports clothes by Canadian manufacturers ran into such a thing. Slated to arrive in time for lunch at the beautiful little Alpine Inn at Ste. Marguerite, Quebec, the early morning travellers found themselves marking time till vagaries of fogbound Idlewild permitted take-off. Over the coffee and buns with which Trans-Canada Airlines endeavoured to keep up the spirits of its sleepy-eyed guests, acquaintances ripened into friendships, volumes of business information, valuable or useless facts exchanged, welded the group into a team. Hours later, by the time the guests found themselves flashing through the Quebec countryside to the scream of police sirens, the whole gang seemed to function as a unit. And

the expedition with which the long-waiting hosts handled the fashion show and reception deserves a kind word, too. It's grim business to have a party all arranged and half of the guests not showing up till five hours after the planned start! The Canadians took it all in a spirit of good grace.

"I'd be inclined to feel that this Hands-Across-the-Border gesture was worthwhile. In a more highly dramatic form than simply 'showing lines' in New York offices, the Canadian producers indicated they were eager for export business. Getting a group of buyers right on the spot, as it were, permitting them to chat with various sorts of manufacturers, visualized for many of us the overall picture. Even those stores with existing import arrangements thus found opportunity to survey the rest of what's available.

"Even though many of us rolled home at an hour familiar chiefly to the milk man, we all had a good time. We saw an intelligent, businesslike group show of sportswear. We talked informally with many producers. We learned a little about their problems, and told them ours. And we learned a lot about Canadian hospitality, coming, going and while we were there," Miss Wallis concluded.

Skiwear Wins Attention

Also writing for *Women's Wear Daily,* Miss Jo Ahern said: "Canadian sportswear manufacturers more than impressed United States retailers, buying office representatives and members of the fashion press with fall collections of classic sportswear and ski fashions . . . Guests were impressed with the handsome imported English worsteds and tweeds, and hand detailing and workmanship of classic tailored suits, coats, skirts and the landed prices in New York, which were generally conceded 'hard to beat' anywhere. Skiwear had both novelty appeal and the stamp of authority, shown as it was in the heart of skiing resort country.

"Classic wearable silhouettes were emphasized throughout the collection suggested for United States retailers. Suits varied from classic sports-type jackets with pleated skirts in plaids and tweeds to classic town suits with shorter, closely fitted jackets, velvet tuxedo collars and slim skirts. The ensemble look of plaid or tweed topper, with slim worsted skirt and doeskin vest in an accent colour, was well represented. So was the matching-plaid topcoat for sports suits.

"Ski fashions featured some practical new ideas for comfort on the slopes and for after-ski. A lightweight nylon parka jacket folded into its own zip front pocket for easy carrying and looked like a good jacket to pull over a sweater for protection against wind or weather . . .

"Ski accessories of special note were novelty knitted fast caps with dangling pom-poms, sealskin after-ski boots, and an aluminum ski boot carrier and press, which keeps boots in shape.

"Again, workmanship and tailoring were noteworthy on striking, bold-patterned tweeds and tartans. Pleatings were precision patterns, varied for panel effects in some skirts . . . Hand knitted sweaters in bulky white knits were shown at very attractive prices. One manufacturer said he had 800 knitters working in their homes.

"Featured coats were of luscious deep fleeces and cashmeres—and all the styling features of the coats are underlined with hand-picked edges for belts, pockets and front openings.

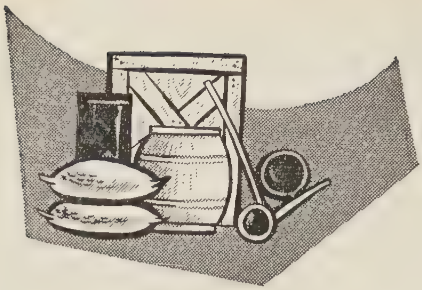
"Most of the Canadian manufacturers show their lines by appointment in New York, as well as in Canada," Miss Ahern concluded.

Writing in the *New York Herald-Tribune,* Miss Denise McCluggage said: "The Scottish influence is strong in Canadian skirts. Many of the luxurious fabrics used are from Scottish looms and many are in authentic tartans of the ancient clans. The kilt, too, has influenced the styling. Buckles and buttons close many of the skirts over the left hip, kilt-style. And, an abundance of pressed pleats circles a snug, hip-length yoke on many models. Particularly impressive to visiting Americans was such a skirt in Ancient Chisholm tartan . . . Checks and flecks and overplaids proved popular, all of the fabrics being lush and lovely and good to feel."

Thus, it was conceded that Canadian manufacturers can produce goods that will attract attention among discriminating buyers in the United States. It was emphasized, however, that they should concentrate on quality merchandise of good design, rather than attempt to capture any part of the market for cheaper, mass-produced lines.

—J. FERGUS GRANT
Assistant Director, Information Branch

The photo shows French schoolboys—and their elders—examining with deep interest part of the official Canadian Government display at the Lyon, France, Fair, which ran from April 11 to 20. In the background at the right is a panel advertising the Canadian International Trade Fair.



COMMODITY NOTES

BRAZIL

Iron and Chrome—The Government of Amapa, in northern Brazil, is carrying on negotiations for the development of iron ore deposits in the Rio Vila Nova area, according to unofficial information. The deposits, which were once prospected by the Hanna Company, are estimated at 19·5 million tons of high-grade ore. Similar negotiations are going on over chrome deposits near the Rio Preto, estimated at 250 thousand tons—Rio de Janeiro, May 7.

DENMARK

Cream Cheese—Cream cheese production and exports in Denmark have increased rapidly since the war and in 1952 exports totalled 6·2 million kg., valued at 35 million Danish kroner. The United Kingdom absorbed most of the exports—5·1 million kg. Other markets were East Germany, 700,000 kg.; Greece, 170,000 kg.; Belgium 65,000 kg., and the United States, 74,000 kg. Attractive packaging and high quality are said to be the primary reasons for the success of Danish cream cheese—The Hague, May 14.

INDIA

Fertilizer—The government-owned fertilizer factory at Sindri may have to suspend production because of accumulation of stocks. The daily output, which was approaching the rated capacity of 1,000 tons, had to be slowed down in January, as about 60 thousand tons of ammonium sulphate were awaiting clearance. The figure has now risen to 75 thousand tons. The Government of India recently reduced the ex-factory price last month from Rs.340 a ton to Rs.310, and the Central Agriculture Ministry's pool price from Rs.365 to Rs.325, in an attempt to stimulate offtake. They have also offered to supply the fertilizer to agriculturists on easy credit terms. Arrangements have also been completed with the tea industry, one of the largest consumers of fertilizers in India, for the immediate dispatch of 40 thousand tons of ammonium sulphate—New Delhi, May 4.

JAPAN

Coal—Japanese coal production in March totalled 4,712,000 tons, a postwar monthly production record. A miners' strike in October and November cut production for the fiscal year ending March 31, 1953, to 43,739,000 tons, well short of the planned output of 49 million tons—Tokyo, April 30.

NETHERLANDS

Plants—Cut flower and plant exports from Holland in 1952 were three million guilders over the previous year and totalled 21,540,000 guilders. Germany, Belgium, Luxembourg, Britain and Sweden were the major importers with respective purchases of: 6·5 million guilders (1951, 5 million guilders), 5·8 million guilders (4·7 million guilders), 3·5 million guilders (4 million guilders), 3·2 million guilders (2·2 million guilders).

The fall in British imports of half a million guilders is attributed to the great abundance of domestically grown chrysanthemums put on the U.K. market last year which checked demand for imports of other flowers.

Other importers of Dutch plants and flowers in 1952 were Switzerland and Italy, with purchases of 1·1 million and 320 thousand guilders respectively—The Hague, May 14.

SOUTH AFRICA

Wool Clip—South African sheep farmers are likely to end the present wool season with the biggest wool clip for nearly 20 years. After the cycle of wartime droughts, the wool clip reached its lowest point for 20 years in 1946-47 with 193 million lb. Since then the rising price and improving seasons have resulted in a rise to 244 million lb. in 1951-52, the best since 1942-43.

This year, wool deliveries have steadily exceeded last year's. At present the 1952-53 clip is 36,000 bales (about 11 million lb.) ahead of last year's clip at this time and there are four months still to go. Many parts of the wool-growing area were not affected by the great drought last year in Natal, the Transvaal, and the northern half of the Free State, and enjoyed an excellent year with a big crop of lambs —Johannesburg, May 2.

SPAIN

Mercury—Mercury production in 1952, according to a press release, was 37,200 flasks of 76 lb. Exports for January-October of that year reached 36,515 flasks—Madrid, May 12.

UNITED STATES

Fish—Work has begun in Boston on a new fish processing and freezing plant which will cost $250 thousand. The first unit of a half million dollar project, it will be located on Northern Avenue in South Boston. The development will be owned and operated by Bonnie Fisheries, successor to Genoa Fisheries Inc. The new plant will have a capacity of five million pounds of fish fillets a year and will employ 125 people. All processing equipment will be stainless steel and will be regularly sterilized with live steam. An automatic conveyer system will make possible a sixty minute operation from the time the whole fish is received until the frozen fillet reaches the shipping storage—Boston, May 23.

Dominican Republic

Sugar Means Purchasing Power

. . . sugar production has increased in recent years . . . imports from Canada have doubled in the last two years to some $4.6 million in '52.

CIUDAD TRUJILLO—The Dominican Republic has more than quintupled its foreign trade during the last twenty years and has maintained a favourable balance of trade since 1920. One of the Greater Antilles and formerly known as Santo Domingo, this country is essentially agricultural. Its principal crops are typical of the West Indies—sugar, cocoa, tobacco, corn and bananas.

Leading Industry

Sugar, with its by-products, is by far the most important industry and on it the level of purchasing power in the Republic largely depends. Production in recent years has increased considerably; in 1951-52 it amounted to 588,189 metric tons. Of this 33,874 tons were consumed locally and 463,787 tons were exported between January and August 1952. Although the sugar yield per ton of cane was lower because of excessive rains during the grinding season, the crop was 12 per cent larger than that of the previous year, the result principally of increased plantings. Yield from the previous crop, 1950-51, was 12 per cent higher because of the two new mills established—Central Catarey and Central Rio Haina. The Rio Haina sugar estate is today the largest individual sugar property in the world, embracing some 95 thousand acres, with 70 thousand under cane cultivation.

Canada, under an arrangement concluded in 1951, takes 64,500 tons of the Republic's raw sugar, more than 12 per cent of the total production. The United Kingdom, however, still buys the bulk.

Foreign Trade

The Republic's total exports in 1952 totalled RD$115,014,717, and its trade balance of $46,513,000 for the first nine months of the year was favourable. Principal Dominican exports are sugar, cocoa, coffee, tobacco, corn and bananas. Sugar, coffee and cocoa make up over 80 per cent of total exports. The United States, the United Kingdom and Canada, in that order, are the Republic's best customers at present.

Imports include cotton goods, foodstuffs, machinery, automobiles and other vehicles, oil and gasoline, chemical and pharmaceutical products, construction materials, iron and steel products and electrical equipment. Lesser imports include jute bags, paper products, silk goods and rubber products. Canada ranks third as a supplier to the Dominican Republic.

The following table shows the principal Dominican exports to Canada for the year 1951-1952, according to the latest official Dominican statistics:

DOMINICAN EXPORTS TO CANADA

	1951		1952	
	Kgs.	RD$	Kgs.	RD$
Coffee	157,700	170,471	166,060	170,479
Cocoa	....	....	14,200	9,375
Raw sugar	3,866,795	476,467	59,012,436	5,539,762
Rum (litres)	30	42	....	....
Molasses (gal.)	....	....	2,325,442	84,023
Iron and other old metals	....	....	1,002,383	37,848
Others	39	20	1,076	151
	4,024,564	647,000	62,521,597	5,841,638

Canadian Exports to Republic

Canada's 1952 exports to the Dominican Republic (DBS figures) amounted to Can.$4,642,648 as compared with 4,060,021 in 1951 and 2,954,498 in 1950. Principal Canadian exports were:

Fish and fish products	Can.$1,709,911
Flour of wheat	532,189
Pipe and tubing of iron	283,424
Aluminum and aluminum products	283,278
Tires	271,102
Copper tubing and wire	230,585
Newsprint	170,535
Macaroni and spaghetti	154,625

The Canadian Goodwill Trade Mission to Latin America, headed by the Right Hon. C. D. Howe, did not hold formal talks during their stay in Ciudad Trujillo, but their visit aroused a great deal of interest among the trade and an avalanche of inquiries for Canadian goods has followed.

—R. E. Gravel
Canadian Government Trade Commissioner

One of the interesting Latin American projects in which UN Technical Assistance Administration is co-operating is the Brazilian School of Public Administration, opened in Rio in April 1952. The UN's share in this venture consisted of supplying some of the faculty members and giving special fellowships to Brazilian professors for advanced training in other countries. Eventually these professors will replace internationally recruited personnel at the school. In 1952, the school trained 194 Brazilians sent there on government scholarships and 34 students from other Latin American countries who won scholarships awarded by the UN and the Vargas Foundation.

GENERAL NOTES

FRANCE

Rhone River Development—Recently, the Prime Minister of France turned the first sod of a new and important project which continues the progressive development of the hydro-electric potential of the Rhone. The river is to be dammed at Rochemaure, providing water-power to feed six power generators with a total annual output of 1·6 billion kilowatt hours. A navigation canal 12 kilometres long will maintain the Rhone waterway, which carries one million tons of freight a year. The Compagnie Nationale du Rhone will spend an estimated 60 billion francs on this project, which is expected to begin producing power in 1957 or 1958.

This is a part of a long-term plan for the hydro-electric and navigational development of the Rhone River valley. At Donzere-Montdragon one of the four principal works to be undertaken has already been completed. The complete system is expected to supply 14 billion kilowatt hours a year. This is more than 50 per cent of France's present total hydro-electric generating capacity which is now slightly over 25 billion kilowatt hours—Paris, May 15.

NEW ZEALAND

Balance of Trade—New Zealand's overseas transactions for the first quarter of 1953 developed an overall surplus of £26,323,000 ($71,-800,000), as compared with a deficit of £8,221,000 ($21,900,000) during the same period last year. This year's surplus is made up of £20,492,000 ($55,800,000) with the sterling area, and £5,831,000 ($15,800,000) with the dollar area. On April 22nd the sterling balance held by the Reserve Bank stood at £56,748,000 ($155,-000,000), the highest since the boom year 1951—Wellington, April 28.

SOUTH AFRICA

Industrial Expansion—Some 3,500 new industries established in the period 1945-46 to 1949-50 raised the Union's total of industries on June 30, 1950, to 14,809. Broadly, industrial activity almost doubled during the period. Value of machinery, plant and equipment increased by nearly £100 million to £201 million, and the value of property from £77 million to £134 million. The net value of the output (other than mining) increased from £195 million to £335 million—Cape Town, May 3.

SWEDEN

New Tipping Device—A new type of tipper was introduced recently by a Swedish firm which tilts a goods truck so that the load slides off all at once. Tipping devices of this kind have been installed at Sweden's leading iron works where it is now possible to unload 320 tons of coke an hour with a crew of only two. This implies a 30 to 40-fold increase in output per man, compared with unloading by hand—Stockholm, May 12.

UNITED KINGDOM

Record Exports to Canada—Exports from the United Kingdom to Canada in April amounted to £16 million. This was a record and compared with £11·3 million a month in the first quarter and the previous best of £15·6 million in July 1951.

Exports to the United States were also high, totalling £16·8 million compared with £12·7 million a month in the first quarter. This April figure for the United States was not, however, a record. Higher totals were reached both in October 1952 and April 1951—London, May 18.

Imports and Exports—The United Kingdom's exports in April increased from £208·5 million in the first quarter of the year to £214·8 million. The improvement was even greater than this comparison suggests, because April contained 24 working days against an average of nearly 26 a month in the first quarter. Imports also increased in April to £293·4 million, compared with £272·4 million a month in the first quarter.

The excess of imports over exports increased to nearly £70 million in April. The average monthly excess in the first four months of the year was nearly £58 million—London, May 18.

UNITED STATES

First Photo-Electric Typeset Book—The first book to be set by a revolutionary typesetting machine was produced in Cambridge, Mass., recently. The photographic type composing machine was invented by two French telephone engineers in France during World War II. Developers of the machine are the Graphic Arts Research Foundation Inc., who have given licence to manufacture to Photon Inc., of Cambridge. The machine closely resembles a typewriter desk with an electric typewriter set in a central well. There are sixteen fonts of type at the operator's finger tips and even in setting a line he can change from one font to another. Speed depends upon the operator's dexterity in operating an electric typewriter. An estimated ten book pages an hour is considered average. The machine photographs from a glass disc and transmits the image to a 100-foot strip of photographic film. The film can be developed either as a positive or negative galley and the operator can replace the film as required. When developed the film is ready for make-up or for engraving on metal plates. The first ten production units of the "Photon" will shortly be available commercially. About 75 machines will be produced this year—Boston, May 21.

United Kingdom

Free Trading in Copper Restored

Government bulk buying will end when the London Metal Exchange, on August 5th, resumes dealings in copper; in trade circles, the price is expected to fall.

LONDON—The latest step in the progressive liberalization of United Kingdom commodity markets is the announcement that private and free trading in copper will be restored on August 5.

On that date the London Metal Exchange will resume dealings and London metal merchants will again have opportunities of earning additional foreign exchange as the result of these operations.

Bulk buying by the Government will come to an end. The Ministry of Materials has announced that it has given the required three months' notice to Commonwealth and other producers. An order has been made which allows offers or contracts to buy or sell copper for delivery after the end of bulk imports to be made without licence. The new arrangements will include overall supervision by the Bank of England—similar to that already exercised in tin, lead and zinc—in order to safeguard the country's gold and dollar reserves. The usual security controls over the destination of shipments will also be maintained.

Fall in Price Expected

It is expected in trade circles that the freeing of copper will be followed by a fall in price, as has happened with lead and zinc. Intelligent anticipation of the event has already affected the volume of trade, which has dropped heavily. The carry-over of stocks belonging to the Ministry when bulk buying finishes may be as much as 200 thousand tons, although some of this may be set aside for the stockpile.

Methods of disposing of government holdings of metal are to be discussed with Canadian and other suppliers and their United Kingdom agents with the object of causing as little disturbance as possible to the market.

As far as can be foreseen, the changes will not make any difference to the position of Canadian copper vis-à-vis competitive supplies. In 1952, of total imports of 382,713 tons of electrolytic and other refined copper, Northern Rhodesia supplied the bulk, some 245,330 tons. The United States was the second largest seller (44,624 tons), followed by Canada (37,424 tons), Belgium (27,783 tons), Germany (16,002 tons) and Chile (4,953 tons).

—R. P. Bower
Commercial Counsellor for Canada

TRADE COMMISSIONERS ON TOUR

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

C. J. Van Tighem, Consul of Canada and Trade Commissioner in São Paulo, Brazil, will begin a tour of Canada on June 3 in Hamilton. His itinerary is:

Hamilton—June 3
St. Catharines—June 4
Welland—June 5-6
London—June 8
Windsor: Walkerville—June 9
Toronto—June 10-19
Montreal—June 22-30
Quebec—July 2-3
Arvida—July 4-6
Vancouver—July 29-31

A. W. Evans, Commercial Secretary for Canada in Havana, Cuba, will begin a tour of Canada in Toronto on June 1st. His itinerary is:

Toronto—June 1-12
Brockville—June 15
Montreal—June 16-30
Quebec—July 2
Saint John—July 6-8
Halifax—July 10-13
St. John's—July 14
Windsor: Walkerville—August 17
Chatham—August 18
London—August 19
Kitchener—August 20
Guelph—August 21
Hamilton—August 24-25
Victoria—August 31
Vancouver—September 1-3
Calgary—September 4
Edmonton—September 5
Saskatoon—September 7
Winnipeg—September 9

C. M. Croft, Commercial Counsellor for Canada in Sydney, Australia, began a tour of Canada in Vancouver on May 8. His itinerary is:

Toronto—June 5-17
St. Catharines—June 18-19
Hamilton—June 20-23
Windsor—June 24-25

M. T. Stewart, Commercial Counsellor for Canada in Mexico City, began the second part of his Canadian tour in Windsor and Walkerville on May 4. His itinerary is:

Toronto—May 25-June 6
Montreal—June 8-18
Quebec—June 19
Saint John—June 22-23
Halifax—June 25-26

Businessmen may get in touch with these officers through the Board of Trade in Saskatoon, Chatham, Guelph, Montreal, Quebec, Saint John and Halifax; the Chamber of Commerce in Calgary, Kitchener, London, Welland, St. Catharines, Windsor, Hamilton, Brockville and Arvida; the Canadian Manufacturers Association in Edmonton, Winnipeg and Toronto; the Dept. of Trade and Industry in Victoria; and the Department of Trade and Commerce in Ottawa, Vancouver (355 Burrard St.) and St. John's (Stott Bldg.).

TRADE AND TARIFF REGULATIONS

BERMUDA

Foodstuffs Removed from Deferred List—A notice issued by the Bermuda Supplies Commission indicates that the following foodstuffs are to be removed, as from June 30, from the Deferred List of Imports not permitted from the dollar area: biscuits, candies and confectionery; chocolate and cocoa; canned fish; gravy browning; jams and marmalade; jelly powder and crystals; canned meat; milk based foods and food beverages; pickles; pudding powders; dessert and custard powders.

The effect is that importers in possession of the usual blanket import licences for foodstuffs will not be debarred, after June 30, from importing any of the aforementioned goods on such licences.

Foodstuffs remaining on the Deferred List from the dollar area are canned corned beef; butter; lard and shortening; margarine; sugar (except icing sugar); ale, beer, and stout.

BOLIVIA

Boliviano Devalued—A Bolivian Government decree of May 14 fixed the official exchange rate for the currency of Bolivia at 190 bolivianos to the United States dollar. The former rate was 60 bolivianos to the United States dollar.

The new official exchange rate applies to all trade transactions, government payments, registered capital and certain specified invisibles. All other transactions are now subject to a fluctuating free rate of exchange.

With this devaluation, all former exchange taxes and multiple exchange rates for commodity trade have been abolished. To compensate for the lower exchange rate for the boliviano, taxes of 50 and 100 per cent will be applied to less essential and non-essential imports respectively.

INDIA

Import Duties on Milk Products—Under a Notification of the Ministry of Finance (Revenue Division) dated May 2, milk foods for infants and invalids are exempted from import duty in excess of 14 per cent ad valorem. This means that the rate of duty on such milk products is reduced from 25 per cent ad valorem to 14 per cent ad valorem, effective from May 2.

NETHERLANDS

Luxury Tax Reduced—Effective May 14, the Netherlands luxury tax of 30 per cent ad valorem on a number of luxury articles was reduced to 15 per cent. The luxury tax on these articles was increased on September 1, 1951, from 15 to 30 per cent, while others remained subject to the 15 per cent tax. The present reduction, therefore, reinstates the system of a single rate of luxury tax of 15 per cent ad valorem.

The articles on which the luxury tax was reduced include oysters, crayfish, fresh and smoked salmon, clothing made from fur or Angola wool, cutlery combined with precious metals, electrical appliances including lamps and toasters, radio apparatus, phonographs, cut glassware, jewellery, cosmetics, hockey sticks and golf clubs—The Hague, May 15.

VENEZUELA

Food Registration Requirement—A new deadline of November 30, 1953, instead of May 31 has been announced for the period during which all food products in bulk containers must be registered with the Venezuelan Department of Health and Social Welfare.

Details of this requirement are available from the International Trade Relations Branch, Department of Trade and Commerce—Editor.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, France, Western Germany, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·00566.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. May 21*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1325	
		Basic buying	·1989	(1)
		Preferential selling	·1989	
		Basic selling	·1375	
		Free	·07158	
Austria	Schilling	....	·03825	
Australia	Pound	....	2·2390	
Belgium-Luxembourg & Belgian Dependencies	Franc	....	·01991	
Bolivia	Boliviano	Official	·00523	
British West Indies	Dollar	....	·5831	(3)
	Pound	....	2·7987	(4)
	Dollar	Brit. Honduras	·6996	
Brazil	Cruzeiro	Official	·05375	tax 8% (2)
		Free	·02202	
Burma	Kyat	....	·2099	
Ceylon	Rupee	....	·2099	
Chile	Peso	Official	·03202	(1)
		Commercial	·01656	
		Free	·00904	
Colombia	Peso	Basic	·3977	tax 3% (2)
		Coffee buying	·4273	
Costa Rica	Colon	Official	·1771	(5)
		Free	·1482	*April 15
Cuba	Peso	....	·9944	tax 2%
Czechoslovakia	Koruna	....	·01989	
Denmark	Krone	....	·1440	
Dominican Republic	Peso	....	·9944	
Ecuador	Sucre	Official	·06629	(6)
		Free	·05748	
Egypt	Pound	....	2·8554	
Fiji	Pound	....	2·5214	
Finland	Markka	....	·00432	
France	Franc	....	·00284	
French Africa	Franc	....	·00569	
French Pacific	Franc	....	·01564	
Germany	D Mark	....	·2368	
Greece	Drachma	....	·000033	
Guatemala	Quetzal	....	·9944	
Haiti	Gourde	....	·1989	
Honduras	Lempira	....	·4972	
Hong Kong	Dollar	Free	·1656	*May 8
Iceland	Krona	Official	·06106	
		Special buying	·04704	
		Special selling	·03807	
India	Rupee	....	·2099	
Indonesia	Rupiah	Basic	·08723	(7)
		Dollar certificate	·00185	*April 15

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. May 21	Notes (See below)
Iran	Rial	Certificate I	·01026	*April 22
		Certificate II	·01015	*April 22
Iraq	Dinar		2·7987	
Ireland	Pound		2·7987	
Israel	Pound	Basic	2·7842	
		Special	1·3921	
		Investment	·9944	
Italy	Lira		·00160	
Japan	Yen		·00276	
Lebanon	Pound	Free	·2823	
Mexico	Peso		·1150	
Netherlands	Guilder		·2617	
Netherlands Antilles	Guilder		·5273	
New Zealand	Pound		2·7987	
Nicaragua	Cordoba	Effective buying	·1506	(8)
		Official	·1410	
		With Surcharge I	·1235	
		With Surcharge II	·09894	
Norway	Krone		·1392	
Pakistan	Rupee		·3005	
Panama	Balboa		·9944	
Paraguay	Guarani	Basic	·06629	(1)
		With Surcharge I	·04735	(9)
		With Surcharge II	·03314	
Peru	Sol	Certificate	·06108	
Philippines	Peso		·4972	tax 17% (2)
Portugal	Escudo		·03471	
El Salvador	Colon		·3977	
Singapore & Malaya	Straits dollar		·3265	
South Africa (Union of)	Pound		2·7987	
Spain & Dependencies	Peseta	Basic buying	·04541	
		Basic selling	·08862	
		Basic commercial selling	·06054	(1)
		Free	·02528	
Sweden	Krona		·1922	
Switzerland	Franc		·2320	
Syria	Pound	Free	·2710	*April 15
Thailand	Baht	Official	·07955	(1)
		Free	·05867	*March 31
Turkey	Lira		·3551	
United Kingdom	Pound		2·7987	
United States	Dollar		·9944	
Uruguay	Peso	Official	·6546	
		Basic buying	·5586	
		Special buying	·4231	(1)
		Basic selling	·5233	
		Special selling	·4058	
Venezuela	Bolivar		·2968	(10)
Yugoslavia	Dinar		·00331	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic rate plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

what do they see?

Something old? . . . an Austrian painting, *or something new?* . . . a wheel for uneven terrain. *Something hard?* . . . English rapid-setting cement, *or soft?* . . . Spanish velveteen. *Something big?* . . . a power shovel, *or small?* . . . a German watch. *Something common?* . . . an aluminum double boiler, *or exotic?* . . . Peruvian silverware. *Something priceless?* . . . an Oriental rug, *or expendable?* . . . a disposable diaper.

Or perhaps it's something simple, like a felt vibration dampener, or complex, like an electronic analogue computer. Maybe it's for the inner man, like Irish fruit cake, or for the outer darkness, like a radar set.

But being men, and masters of the machines they create, their vision may reach far beyond the range of the radar set. Perhaps they can see an idea worth using or an opportunity worth seizing. Or, outsmarting even the most complex "mechanical brain", perhaps they can see even more — their profit next year and in years to come.

You too can see these things by joining them at the

Canadian International Trade Fair

TORONTO — JUNE 1 - 12

foreign trade

JUNE 6, 1953

Trends in Consumer Goods Industries (page 2)

Trouble Shooters ■ ■ ■

One afternoon last year, the Canadian Trade Commissioner in Hong Kong received a call from a local importer. The man had recently sold some Canadian goods . . . now a customer was complaining that all was not well. The Trade Commissioner inspected the shipment, sent a report to the Canadian company, and supplier and importer settled the matter satisfactorily between them.

Every office of the Trade Commissioner Service spends time helping to adjust problems like this—or, to put it colloquially, "trouble shooting". The phrase involves far more than simple complaints like that of the Hong Kong importer. Sometimes it means helping a Canadian businessman in a foreign country to clear his samples through customs or get his documents validated. At other times, it means straightening out difficulties that crop up in customs procedure, standards and specifications, patent or labelling regulations.

Occasionally it means helping fellow Canadians in a more personal way. The Paris office, for example, was able to recover travellers' cheques worth $1,300 for a Canadian delegate to an international conference in Genoa, who mislaid his wallet. And at least one Trade Commissioner spent three hours last Christmas Day assisting a tourist, stranded in his territory and out of cash, to resume his journey.

Often the Trade Commissioner becomes most important as a trouble shooter when complicated or unexpected trading problems arise. In March 1952, Australia imposed special import restrictions on dollar goods. In the next few months, the officers there spent many hours trying, where possible, to secure import licences for Canadian goods and explaining to puzzled firms back home the reasons for the restrictions.

In August, Britain will return the trade in cereals, flour and animal feedstuffs to private channels. Already the London office is busy assisting Canadian millers to re-establish their contacts with individual importers.

And so the story goes . . . as Trade Commissioners all over the world smooth the path of businessmen and help to solve problems—simple or complex.

—The Editor.

foreign trade

VOL. 13 OTTAWA, JUNE 6, 1953 NO. 336

OVER . . . In a Canadian ant, technicians are putting frigerator units to an air nditioning test. Several fact- point to an increased de- nd for refrigerators this ar, as for other types of usehold durables. For a ry on the picture generally the consumer goods indus- es, exclusive of food pro- ssing, turn to page two.
—NFB Photo

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

Trends in Consumer Goods Industries

Consumers will probably buy more goods during 1953 than they did in 1952—but they may allocate their expenditures differently. This study of current trends in the consumer goods industries keeps this and other factors in mind—and discusses, in the light of past experience and present indications, the prospects for the rest of 1953.

OTTAWA—Recent data published by the Dominion Bureau of Statistics indicate that domestic sales of consumer goods are currently running at very high levels. For the first three months of 1953, the total value of retail trade was eight per cent above that of the corresponding period last year. When it is remembered that the prices of consumer goods are slightly lower than they were in 1951, this means that the actual volume of retail trade was over 10 per cent greater than in the first quarter of 1952.

Despite the fact that these percentages tend to overstate the strength of the present consumer market because of slightly depressed sales conditions for some consumer goods industries during the first quarter of last year, this higher level of purchases by Canadian consumers is still very significant. It immediately raises questions of how long the current strength in the consumer market will continue and how this will affect the domestic manufacturers of consumer goods.

Spending on Goods and Services

Experience indicates that, under normal circumstances, consumers will enter the market provided that they have the income to do so and consider prices reasonable in the light of what they have recently been paying for goods and services. To elaborate these points a bit, it is significant that for Canadians as a whole during the past three years, expenditures for goods and services averaged 94 per cent of their personal disposable income in 1950, 89 per cent in 1951, and 90 per cent in 1952. Other data for other years as far back as 1926 could be cited. They indicate that, exclusive of war, depression or other unusual conditions, consumers tend to spend a high and relatively constant proportion of their income on consumer goods and services.

Consumers are also price conscious. One of the more interesting examples of this is recent data on food consumption. Between 1946 and 1951 the cost-of-living index for food rose about 70 per cent; per capita volume consumption of food declined by 10 per cent, despite rising incomes. However in 1952, with food prices down about two per cent from the 1951 level, the trend was reversed and per capita consumption of food increased by almost four per cent.

In view of these tendencies it appears that the increasing level of consumer purchases in recent years will continue as long as consumer incomes go on rising. Moreover price concessions, so long as they do not lead the consumer to postpone purchases in hopes of further price reductions, will usually help to increase the sales volume of consumption goods.

Total personal income is currently running higher than ever before. Employment is at peak levels throughout the country, average weekly earnings in practically all non-agricultural industries are running higher than a year ago. And, if Canadian farmers harvest an average crop, personal income levels in 1953 should top those of last year.

If past experience is any guide, this should mean that consumer expenditures on goods will be greater in 1953 than they were last year. However, it does *not* mean that every producer of consumer goods will have a better year than in 1952. Consumers may allocate their expenditures differently this year and moreover, many Canadian consumer goods industries are dependent in varying degrees on export business. Some of the buoyant domestic demand may be satisfied by imported goods rather than by domestic producers. In the following brief discussion of recent developments in some of the major consumer goods industries, these reservations should be borne in mind.

Household Durables

In 1952 a continued rise in personal incomes, accompanied by a moderate decline in the consumer price level, provided the basis for a substantial increase in sales of consumer goods. Practically all branches of retail trade experienced this strengthening, but the upsurge was particularly pronounced in consumer durables and followed the reduction of the special excise levies in April and the subsequent suspension of consumer credit restrictions in May. For the year as a whole, sales by radio and appliance stores were up 15 per cent as compared with the year before; department store sales of radios and appliances were 23 per cent higher than in 1951. This increased level of domestic sales for 1952 was not, however, reflected in a higher domestic production. Most of the increased demand for durables was satisfied by drawing down factory stocks and in some cases by increased imports. The following data summarize these trends and provide a comparison with the two previous years for some of the more important household durables.

PRODUCTION, TRADE AND DOMESTIC DISAPPEARANCE OF SELECTED CONSUMER DURABLES, 1950-1952

	Production	Imports	Exports	Change in producers' stocks	Domestic disappearance
Refrigerators (Domestic)					
1950	346,608	12,731	2,350	+ 203	356,786
1951	276,611	89,006	3,263	+ 42,193	320,161
1952	236,866	176,690	1,691	— 10,786	422,651
Washing Machines					
1950	281,005	1,832	12,614	— 5,665	275,888
1951	239,800	4,323	19,789	+ 19,563	204,771
1952	247,346	13,394	10,851	— 11,450	261,339
Radios					
1950	820,772	46,950	36,837	+ 37,358	793,527
1951	628,395	55,809	35,576	+ 37,089	611,539
1952	486,000*	82,458	34,131	—133,058	667,385
Stoves (Electric and Combination)					
1950	160,126	2,315	1,067	....†	161,374
1951	132,156	5,316	2,007	....	135,465
1952	146,949	6,332	583	....	152,698

* Preliminary.

† Data not available.

74380—1½

For the current year, the outlook for retail sales of most consumer durables appears to be strong. High income levels, an expanded home-building program, and a growing replacement market are all factors which point to some expansion in consumer sales. However, it is possible that imports will continue to make further inroads on the Canadian market so that these gains will not accrue in their entirety to Canadian manufacturers. This will be particularly true for refrigerators, vacuum cleaners and sewing machines. Although imports of washing machines and stoves normally represent a minor proportion of domestic supply, a significantly increased movement of these goods into the country is also evident.

Defence orders will be an important factor in the radio and television industry. With sales of radios expected to approximate the levels of last year and with sales of television sets expected to more than double, the radio-television industry will be hard pressed to meet all its varied demands.

Effect of Increased Imports

Generally speaking, the effect of increased imports will be a more highly competitive market for household durables. Because much of the current resurgence in demand is financed on credit, the coming months could witness further reliance on lower prices and higher trade-in values in order to move the goods. Recent data suggest that the ratio of credit sales to total sales is at a postwar high, with almost two-thirds of all appliance and furniture sales being financed on credit. Should appliance dealers find it necessary to restrict instalment sales of some durables to protect their own credit position, or should consumers decide to restrict their purchases, softer market conditions could ensue.

Motor Vehicles

After the reduction of excise taxes and suspension of consumer credit regulations in April and May of 1952 domestic sales of motor vehicles expanded rapidly and, with sizable export orders and defence contracts, kept the industry at peak levels of activity for the rest of the year. Estimates on production, trade and total sales for 1952 are shown below, with comparisons for the two previous years.

PRODUCTION, TRADE, DOMESTIC SALES AND REGISTRATIONS OF PASSENGER CARS, 1950-1952

	Domestic production	Imports	Exports	Domestic sales	Total registration of passenger cars
1950	284,076	81,722	24,085	324,903	1,907,169
1951	282,714	42,631	37,181	275,686	2,097,594
1952	283,697	34,665	41,666	292,054	2,205,000*

* Preliminary.

During the current year, domestic demand for new cars is continuing at a high level. High consumer incomes, easier credit terms, slightly lower prices and substantial changes in the models produced by most of the manufacturers are all important sustaining factors. On the other hand, defence orders are tapering off. There are also increasing signs of a more competitive domestic market because of expanded Canadian capacity and it is quite possible that imported cars will find it more difficult to hold their share of the market in the present year.

Another important factor affecting output of the motor vehicle industry during the present year is the level of exports. Because of import restrictions, currency problems and increased competition, shipments for foreign countries may be expected to decline. In fact, for the first four months of the year, sales outside of Canada have been substantially below those of a year ago. In Brazil, for example, an acute shortage of foreign exchange has resulted in a drastic curtailment of vehicle imports.

In the first part of 1953, however, because of the strong domestic market, output in the Canadian industry has been running higher than in any past year. In the months ahead there will be important supporting influences domestically, but keeping in mind the high level of domestic purchases during the past year and the unsettled foreign markets, a normal seasonal decline in production is possible.

Consumer Semi-Durables

In the semi-durables industries, mixed trends were evident in 1952. Domestic disappearance of woollen and synthetic fabrics, clothing and footwear was higher in volume than the previous year, but apparent domestic consumption of cotton textiles declined. In all cases, however, per capita disappearance was down. In view of the fact that per capita retail sales of clothing and footwear as a group were up in 1952 as compared with the previous year, inventory declines of these finished semi-durables (particularly clothing) must have occurred throughout trade channels. The domestic disappearance data for 1952 and for previous postwar years are shown below.

APPARENT CANADIAN DISAPPEARANCE OF TEXTILES AND CLOTHING IN CANADA, 1946-1952

	Cotton Broadwoven Fabrics		Woollen Broadwoven Fabrics		Synthetic Broadwoven Fabrics		Clothing (inc. Footwear)	
	Apparent Canadian disappearance	Per capita	Apparent Canadian disappearance	Per capita	Apparent Canadian disappearance	Per capita	Apparent Canadian disappearance	Per capita
	Thousand Yards	Yards	Thousand Yards	Yards	Thousand Yards	Yards	Constant Dollars (1935-39=100)	
1946	416,559	33·9	39,709	3·2	83,745	6·8	496,116	40·4
1947	490,453	39·1	42,161	3·4	92,649	7·4	504,873	41·2
1948	423,786	33·1	45,182	3·5	112,507	8·8	467,085	36·4
1949	488,402	36·3	41,438	3·0	113,493	9·9	467,815	34·8
1950	518,674	37·8	37,988	2·8	127,482	9·3	472,569	34·5
1951	508,189	36·3	33,487	2·4	128,841	9·2	446,315	31·9
1952 (est.) ..	479,419	33·2	33,925	2·3	131,123	9·1	458,043	31·7

Production trends also showed diverse tendencies in 1952. For the year as a whole, production of cotton fabrics was 23 per cent below that of 1951 and the production of synthetic fabrics was 12 per cent lower. On the other hand, production of woollen fabrics was slightly above that of the previous year and production of both clothing and footwear was higher in 1952 than in 1951.

In both the clothing and leather products industries, recovery from the slack conditions prevailing during the latter part of 1951 began early in 1952. The initial cause for the upturn in activity was depleted inventories at both the retail and factory levels but once under way, recovery was given added impetus by increased retail sales from April onwards.

The major factors contributing to increased sales were higher consumer incomes and, in clothing, generally lower prices. Depleted consumer stocks of wearing apparel and footwear may also have been a contributing factor.

In 1953 to date, domestic sales of clothing and footwear are running somewhat above the same period in 1952. In fact, for some months, consumer purchases in unit volume terms have been significantly above the longer-run average for these months. Though on the basis of past experience this situation would appear to suggest some decline in sales for the rest of the year, the present strong consumer income position must also be kept in mind.

Textile Trades

In the textile trades, although overall production for 1952 was lower than for the previous year, recovery was evident by June of 1952 in woollens and synthetics and by August in cotton fabrics. Contributing factors in the upswing of activity were low trade inventories, the earlier recovery of clothing sales, and the ending in July of a three-month-old strike in six large cotton mills.

In recent months, the level of activity in primary textiles, as in clothing, has been somewhat higher than during the comparable period of 1952. Defence demands are relatively unimportant during the current year and export demand, never significant, is even less important at present because of more intensive foreign competition.

Increased import pressure is being experienced in all sections of the fabric market. In cotton fabrics, increased competition either directly or in the world market is coming from United States, United Kingdom, Indian and Japanese mills, and in the rayon groups, American fabrics may make further inroads into the Canadian market. In woollen goods, British exporters are already providing stronger competition and increased imports from this source may be expected to continue. The variety of materials available in small lots for quick delivery tends to give imported cotton and rayon fabrics an advantage over domestically produced goods.

—Economics Division
Department of Trade and Commerce

Meeting in Copenhagen a short time ago, the International Rubber Study group reported estimated world output of natural rubber at 1,788,000 long tons and output of synthetic by the member nations at about 989 thousand long tons. Their estimate of world demand: 1,595,000 long tons of natural and 909 thousand long tons of synthetic, exclusive of synthetic rubber production in non-member countries. However, U.S. representatives appeared to believe that there would not be a surplus of natural rubber in the coming months. Meantime, the United Kingdom is sending a fact-finding mission to Malaya at the request of the Federation Government to study the competitive position of the Malayan rubber industry.

Brazil Tackles Its Trade Problems

Faced with a $600 million trade deficit in '52 and a severe exchange crisis, Brazil is attempting to lower production costs of its main exports, cut imports, and pay off commercial debts.

RIO DE JANEIRO—Two important developments in recent months have raised hopes that Brazil may succeed in easing her severe exchange crisis. The free exchange market established on February 21, 1953, has made it possible for many of Brazil's secondary export products to be sold at lower prices in world markets. At the same time, the $300 million loan extended by the United States Export-Import Bank will contribute towards the liquidation of the country's U.S. dollar arrears. However, Brazil ended 1952 with a record trade deficit and indications are that strict restrictions will continue throughout this year.

Under the new exchange regulations, a large number of Brazil's export commodities have been sorted into three classifications, according to the percentage of their sales proceeds that will be transferred into cruzeiros on the free exchange market. Brazil's major exports—coffee, raw cotton, and mineral ores—continue to be exportable only at the official exchange rate. The new free market exchange regulations are also designed to encourage the inflow of foreign capital. Certain imports may, in the future, be licensable at free market rates of exchange but no announcement has yet been made.*

New Licensing System Expected

The loan agreement between the Ex-Im Bank and the Bank of Brazil was signed on April 30, 1953. The $300 million credit extended to Brazil is for the purpose of liquidating a major portion of her dollar arrears. As part of this agreement, the Bank of Brazil has undertaken to raise in the next few months more than $100 million to pay off the balance of U.S. dollar debts. Brazil has also undertaken to keep its dollar position up-to-date in the future, only issuing import licences when dollar exchange is readily available to cover them.

No relaxation of import controls was anticipated as a result of the Ex-Im Bank loan. Any such development will depend on whether Brazil has any substantial success in building up exchange reserves. It is reported that the granting of import licences at the official exchange rate from all sources will be limited to approximately $800 million for the whole of 1953, exclusive of purchases of equipment for projects being financed by international loans. At the moment, all new applications for import licences have been suspended pending the adoption of a new licensing system, due to come into effect in July.

---

*See *Foreign Trade* of March 7, 1953, p. 26, for note on the free exchange rate.

Brazil's exchange crisis has been developing over many months. Official statistics recently published show that Brazil ended 1952 with an overall trade deficit of about $600 million, substantially higher than that of 1951. The table below shows how, in the postwar years, favourable and unfavourable balances have alternated until 1951, when an overall surplus was transformed into a substantial deficit. Over 85 per cent of the deficit for 1952 was recorded in the first six months. By the last quarter, the effects of the severe restrictions on the import even of essential materials was noticeable both in a very small surplus of exports over imports and the gradual stagnation of local industries.

The Import Picture

Compared with 1951, imports last year increased approximately 5 per cent in volume and fractionally more in value. A breakdown of imports for the first eleven months by principal commodities or groups gives a better picture of their relative importance:

Product	1952 Volume tons	1952 Value Cr.$ thousands	Comparison with 1951 % increase (+) or decrease (—) Volume	Comparison with 1951 % increase (+) or decrease (—) Value	% of total value of imports 1952
Machinery, parts and tools	298,429	10,158,976	+12·5	+18·9	29·2
Vehicles and accessories	246,406	5,611,455	— 1·1	+ 2·9	16·1
Chassis	55,568	1,332,048	— 1·4	+11·6	3·8
Trucks, buses, ambulances, etc.	50,846	1,069,280	+ 7·7	+17·9	8·1
Passenger cars	37,065	952,825	—32·5	—26·7	2·7
Car accessories (excluding tires)	17,076	868,613	....	+ 9·3	2·5
Other vehicles and accessories	85,851	1,388,689	+16·8	+12·7	4·0
Wheat	997,236	2,185,071	—15·0	+ 1·5	6·3
Gasoline	2,150,359	2,014,078	+24·3	+26·7	5·8
Pharmaceutical products	386,660	1,785,888	—38·4	—22·4	5·1
Iron and steel products	271,267	1,676,124	—10·7	+ 5·3	4·8
Fuel oils	2,872,001	1,336,161	+15·9	+23·3	3·9
Other	3,029,630	10,017,549	+ 2·6	— 1·9	28·8
Total	10,251,988	34,785,302	+ 4·9	+ 5·6	100·0

There has, of course, been criticism of undue licensing of non-essentials but whether or not it has been justified is difficult to determine. However, figures issued by official sources indicate that in 1952 (9 months) essential manufactures constituted 56·9 per cent of total imports, raw materials 23·2 per cent, and essential foodstuffs 10·3 per cent.

Germany Makes Gains

The United States continued to be Brazil's main supplier in 1952, with 24 per cent of the imports by volume and 43 per cent by value. Next came Germany, supplying 10 per cent of imports by value, and in third place the United Kingdom, with 9 per cent. Germany showed the most remarkable individual incease—84 per cent in volume and 92 per cent in value, compared with 1951. Argentina's share of the market was smaller—2 per cent by value, in contrast to 6 per cent in 1951.

Most of the increase in imports in 1952 was represented by goods from the U.S. and Germany in the first half of the year. From then on, the severe import restrictions resulted in serious shortages of many essential

raw materials, including copper, white cement for the ceramics industry, anilines and colours, graphite electrodes, aluminum in bars, metallic frits, soda ash, selenium and cobalt, sulphur, lead, barbed wire, lamp black and synthetic resins. This in turn has meant a progressive reduction in the production of many of the domestic industries (including radios, textiles, motor vehicles, paints and pharmaceuticals) and, in some instances, the threat of complete shutdown.

The Export Record

A comparison of exports during 1951 and those for the first eleven months of 1952 shows:

Commodity	Volume (in tons)		Value (in Cr.$ millions)	
	1951	1952	1951	1952
Coffee	880,544	863,153	17,485	17,466
Cocoa	89,796	48,743	1,208	652
Cotton	141,164	27,480	3,764	626
Pinewood	583,058	357,555	807	553
Rice	111,932	158,668	288	468
Cotton yarn	3,386	3,568	285	439
Iron ore	1,238,148	1,431,044	219	397
Tobacco	27,195	27,613	323	312
Sisal	54,805	29,192	411	246
Bananas	176,616	195,183	204	233
Others	1,159,018	580,945	4,787	2,387
Total	4,465,662	3,723,144	28,781	23,779

Coffee's jump to 73 per cent of the total value of exports last year from 59 per cent in 1951, and the slump in cotton and cocoa from 12·6

These Brazilian peasants are harvesting rice in Taubate. Rice ranked fifth among Brazilian exports in 1952 and production could be increased. Last year Canada bought over $560 thousand worth of rice from Brazil.

74380—2

per cent and 4·1 per cent respectively in 1951 to 2·6 per cent and 2·7 per cent respectively last year, points up one of Brazil's major problems at the present time—the constantly increasing number of export products no longer of interest to foreign buyers because of high prices. Coffee and minerals are among the few which can still be sold competitively. Products that cannot be exported because the production cost in cruzeiros is higher than the price at which they can be sold abroad are known as "produtos gravosos". They include raw cotton, exports of which dropped by 83·2 per cent in the first nine months of 1952, and cottonseed oil (100 per cent); raw wool (100 per cent); babassu (100 per cent) and babassu oil (98·4 per cent); dry cowhides (81·2 per cent); rosewood essence (72·8 per cent); salted cowhides (65·9 per cent); cotton linters (60·4 per cent); cocoa beans (57 per cent).

Principal Customers

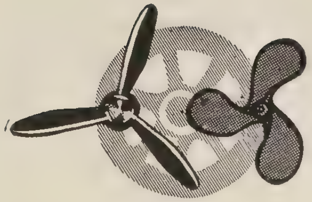
During 1952, Brazil sold 52 per cent of her exports (by value) to the United States, 7 per cent to Argentina, 6 per cent to Germany and 6 per cent to France. Canada's purchases totalled 2 per cent of exports. Greatest decline last year, compared with 1951, was in sales to the United Kingdom (from 10 per cent of exports in 1951 to only 3 per cent in 1952). This resulted largely from the drop in sales of cotton, except for a barter deal in which 15,000 tons of raw cotton were exchanged for 70 British jet fighter aircraft.

Crux of the Problem

The past year has amply demonstrated how essential it is for Brazil to export. Foreign exchange is not coming in from any other source, and coffee by itself cannot earn all the exchange that expanding industries need. In fact, there are even rumours that coffee may become a "produto gravoso" (burdensome surplus) because producers' costs are rising rapidly.

Unable to sell most products abroad at high prices and apparently unwilling to devalue the cruzeiro to assist such sales, Brazil during the last half of 1952 adopted the negative approach of restricting imports to achieve a favourable balance of trade. This policy, however, had to be carried to the point where many domestic industries are on the verge of closing. This drastic restriction of imports is also accelerating the domestic price rise and so exerting further pressure on the production costs of export products. It is hoped that the new Free Exchange Market Bill will make it possible once more to sell most exports but, since it is purely a financial measure, it can hardly be expected to provide more than temporary relief. What the situation really calls for is greatly expanded production at low cost. This in turn depends on active and efficient carrying out of existing plans to improve transportation, develop power production and counteract inflation—in short, to provide facilities that will mean the permanent lowering of costs of production.

—C. R. Gallow
Commercial Secretary for Canada



TRANSPORTATION NOTES

CHILE

National Airline Buys Aircraft—Three modern DC-6-B aircraft and six Douglas DC-3 have been purchased by the National Air Line to amplify its services. The three DC-6-B will permit the airline to maintain a service to Magallanes in the extreme south during the entire year, reducing the flight time to a little over five hours. The aircraft should be delivered within a period of two years from the date of signing the contract—Santiago, May 10.

Longitudinal Highway—A complete study is being made of the longitudinal highway now under construction and the possibility of completing it over a period of five years. It will eventually extend 2,050 miles from the Peruvian border in the north to Puerto Montt in the south. At present 385 miles are paved and a further 370 miles will be completed shortly. The remaining distance will be improved to a point where permanent transit will be possible without too much difficulty—Santiago, May 16.

COLOMBIA

According to press reports, a loan of $2 million on favourable terms has been negotiated in New York by the Flota Mercante Grancolombiana, the merchant shipping line owned and operated by the three "bolivar" countries, Colombia, Venezuela and Ecuador. The money will be used to complete payment of $12 million on four cargo ships being constructed by Canadian Vickers in Montreal, and to buy two small coastal vessels, of 1,855 and 2,830 tons respectively, from a firm in Hamburg, West Germany—Bogotá, May 18.

COSTA RICA

Modern Airport Planned—A contract for the drainage and paving of runways of El Coco, the new Costa Rican national airport, has been signed. This airport, at some distance from the capital, will replace the present turf airstrip which sometimes is unserviceable in the rainy season. Until it is completed, in about two years, Costa Rica will remain the only Central American country without runways and facilities to receive scheduled flights by Constellations and other four-motor aircraft. The runways contract amounts to almost a million dollars and the contractor is C. A. de Edificaciones of Maracaibo, Venezuela—Guatemala City, May 15.

JAPAN

Port of Osaka—Osaka municipality plans to spend over $4,250,000 during the next twelve months for repairs and improvements. Of this sum, $2 million will be spent on repairs. Restoration of works damaged by typhoons will cost $300 thousand, and improvements about $2 million. The entire project should be completed by 1955, when Osaka will have one of the foremost commercial ports in the Orient—Tokyo, May 6.

NETHERLANDS

New Type Coaster—The Netherlands shipbuilding industry has recently produced a new type of coaster. It is an open shelter-deck ship with a gross tonnage of 499 and a carrying capacity of about 1,060 tons. Its four 6-cylinder caterpillar engines of 680 h.p. each will power two Voith-Schneider screws. They will also steer the ship, making a rudder unnecessary. Another novelty is that the engine room will be above the water line. The new ship will have a speed of 12·7 knots and an action radius of 7,000 miles when loaded. It can operate both in the tropics and arctic regions because it is equipped with special ice reinforcement—The Hague, May 20.

PORTUGAL

Merchant Marine—Portugal's merchant marine has been considerably modernized since 1946 and is now contributing materially to the country's economy. In 1945 her vessels serving overseas countries carried 75 thousand passengers and 1·9 million tons of cargo. By 1950 these figures had increased to 107 thousand passengers and 3·6 million tons of cargo. The bulk of Portugal's commercial traffic with her overseas provinces in Africa and the Far East and approximately 50 per cent of her outward trade with foreign countries is carried by Portuguese vessels.

It is estimated that the amount of foreign exchange brought into Portugal from her merchant marine has increased from Can.$2 million in 1949 to Can.$3·1 million in 1950 and Can.$4·8 million in 1951—Lisbon, May 13.

SCOTLAND

Clyde Shipbuilding Program—The recent launching of an 18,500 ton oil tanker was the start of a busy Clyde program under which five ships, aggregating about 55 thousand tons gross, entered the river in three working days. Five more launchings were due late in April, bringing the total tonnage for April to about 110 thousand tons—London, May 22.

SWEDEN

British Measuring System Adopted—The Swedish Parliament has decided that Sweden will transfer to the British system of ship measurements in 1955. The German system, which was introduced 70 years ago, has been the subject of numerous government investigations in the past but now the final decision to change has been made—Stockholm, May 18.

Farm Products: a Two-Way Trade

The pattern of trade between Canada and the Netherlands includes an interesting exchange of agricultural exports . . . a trade highly dependent on Dutch dollar earnings.

THE HAGUE—In studying Netherlands-Canadian trade, one striking fact emerges—the dominance of agricultural products in the lists of commodities exchanged. Grains are predominant among Canadian imports into the Netherlands. Bulbs and nursery products generally lead the Dutch food and agricultural exports to Canada, though the trade also features a wide variety of commodities in lesser amounts.

The pattern is thus one of a limited number of primary agricultural products—chiefly bread and feed grains—flowing from Canada to Holland and, in the other direction, of a long and diversified list of food and agricultural items which are normally considered to be luxuries or at least non-essentials. The vulnerability of this type of exports to changing market conditions needs no emphasis.

Competition for Canada

Canada's agricultural exports to the Netherlands seem, at first glance, less vulnerable because they meet primary needs. But Dutch purchases from Canada depend on Holland's ability to earn dollars to pay for them through its sales to the dollar area. In addition, though Canadian bread grains and coarse grains have won a high place in the Netherlands and normally compete with other grains both in quality and price, they have been dispensed with or cut down in the past and could conceivably be again. For example, Argentina in normal production years is most anxious to export grains to the Netherlands, and Turkey has this year entered the grain export market and gives promise of staying in it. Russia is always a potential source of grains for the Netherlands and in 1952 supplied 64 thousand tons of bread grains and 66 thousand tons of coarse grains of good quality. This trade will undoubtedly continue to some extent and could be expanded without difficulty. Russian prices have been rather high in recent years but the quality of grain has improved. This trade serves also to balance the Russian account run up in Holland's shipyards.

Imports from Canada Up

To quote figures, Netherlands wheat imports from Canada in 1952, at 12·4 million bushels, were valued at $23 million and represented 55½ per cent of total imports from Canada in 1952. Barley from Canada jumped to over five million bushels, valued at nearly $7 million, last year—a tenfold increase over 1951. Imports of oats—substantial in 1951—

Holland's important dairy industry is turning to the use of milking machines, as this photograph shows. But even when it's done mechanically, milking in summertime invariably goes on out in the fields.

fell off completely, because ample supplies were available at moderate prices from non-dollar sources. Rye imports fell slightly to 318,228 bushels, valued at over $600 thousand. Other substantial field crop imports in 1952 were buckwheat ($142 thousand), flaxseed ($632 thousand), beans ($428 thousand) and peas ($13 thousand). Vegetable, flower and grass seed imports totalled $65 thousand; tobacco—almost entirely bright flue cured—$103 thousand.

In the animal products group, lard was the most important item, with 31,443 cwt. valued at $322 thousand, followed by edible offals at $204 thousand; cattle hides and skins at $158 thousand; meats at $145 thousand; plus moderate amounts of sausage casings and tallow, and small shipments of horse-hair and bristles. Linseed and other vegetable oils accounted for over half a million dollars worth of imports from Canada and herring oil a little less than half a million. In addition there were small imports of other animal oils.

Canned salmon imports were valued at over $250 thousand and small amounts of other fish products and canned lobster also were purchased. However, canned salmon from Canada is a luxury product with a very limited market, and has been entering Holland only via the export bonus dollar incentive system.

It is interesting to note that virtually all of the herring oil, lard and other animal products mentioned in Canadian export statistics as bound for the Netherlands carried on eastwards to their ultimate destination in Germany. In the same way, Canadian grains exported to the Netherlands are currently moving on to other end users, with the Netherlands merely fulfilling its traditional role as an entrepôt or medium of transit trade.

How do these 1952 exports from Canada compare with 1951 and with other years, and what are the prospects for 1953? In the past three years, imports from Canada generally have grown steadily. In 1950 they totalled only $8·6 million; in 1951, $26·2 million and in 1952, $41·5 million. This substantial improvement can be somewhat misleading if the spectacular increase in wheat and coarse grain imports is forgotten.

Studying the Prospects

This increase has been possible largely because of the improved balance of payments position of the Netherlands.* Netherlands purchases of Canadian products depend strictly upon its gold and dollar exchange position—that is, in turn, upon its dollar-earning exports and other sources of dollar income, including the European Payments Union and U.S. offshore purchases. The dollar-earning prospects for Netherlands agricultural exports in the coming months are therefore most important. In 1952 Netherlanders were shaken somewhat by U.S. import restrictions on fats, oils and dairy products, particularly cheese. These restrictions had hardly been eased when the U.S. Secretary of Agriculture announced an embargo on milk powder imports from April 1, 1953—another blow to Netherlands exporters.

The February flood, though wreaking untold damage on southwest Holland and creating a major strain on the whole economy, will have made little impression on Holland's export trade position by the end of 1953. As a direct result of the flood, more sugar, wheat and coarse grains will have to be imported. Potato exports, especially seed potatoes, will suffer, so will flax exports to a lesser degree, but the effects will not be felt until late in the year and early in 1954.

Taking everything into consideration, Holland's gold and dollar exchange position throughout 1953 should be maintained at about the same level as in 1952, or may possibly be a little better. This conclusion takes into account a probable increase in exports to the dollar area, including Canada, and a continued overall favourable balance of trade with the members of the European Payments Union and with the non-dollar areas.

Dutch Exports to Canada

In 1952, florist and nursery stock and bulbs combined to surpass previous records as Holland's major source of Canadian dollars. Exports of these products, at $1·6 million, were over a quarter of a million dollars higher than in 1951. Non-edible vegetable oils and animal bristles each brought in over half a million dollars. This was double the 1951 figure for oils and in bristles Canada was virtually a new-found market. Like bristles, coffee last year earned $391 thousand, though none was sold in 1951. Tea exports to Canada more than doubled and reached $91 thousand.

In 1952 cocoa and chocolate products jumped to over $600 thousand from less than half that amount in '51. Other sugar-containing and confectionery items grew even more popular in the Canadian market. Other food items that gained in popularity were cheese ($302 thousand) and fish products—chiefly herring—($183 thousand). Fruit pulp remained

* See "The Netherlands Financial Recovery" in *Foreign Trade* of January 17, 1953.

a major export but the figure did not come up to previous years. Shell eggs and butter—which combined to bring in over one million dollars in 1951—disappeared completely from the export list. Fertilizers regained some of the ground lost in 1951, with sales worth nearly a quarter of a million.

Rounding out the list of Dutch food and agricultural exports to Canada last year were a host of lesser items, including garden, field and grass seeds; spices, pickles and nuts; hides and calf skins; animal hair; canned and frozen fruits and vegetables, and many more. In fact, the list of commodities available from the Netherlands is virtually unlimited, because of the world-wide trading connections of Dutch businessmen.

—C. J. SMALL
Acting Agricultural Secretary for Canada

United Kingdom

The Petroleum Equipment Industry

LONDON—Petroleum equipment manufacturers have built up a major industry for Britain since the war. Last year the industry received orders valued at the sterling equivalent of $257 million; production was eight times greater than before the war and two-thirds of it was exported. The value of exports in 1952 exceeded even the aircraft industry's $126 million.

A number of these manufacturers turn out refinery and oilfield equipment exclusively; others are engineering manufacturers who produce certain petroleum equipment as well as other engineering lines.

Concentration on Refinery Equipment

Great Britain has long been a leader in refinery engineering and the petroleum equipment industry turns out considerably more on the refinery than on the oilfield side. Now that the major part of the oil expansion program in the United Kingdom is nearly completed, and the programs in India, Australia and other countries being equipped by British industry are expected to level off in 1955-56, it will be possible to expand exports to dollar countries. It is estimated that refinery capacity in the free world, excluding the United States, must expand at the rate of 10 to 12 million tons a year to meet rising petroleum consumption. On the basis of refinery costs at $25-$30 per ton of capacity, $300 million will have to be spent each year and 40 per cent of this will actually go into equipment. Thus, there should be a market outside the United States for about $120 million worth of refinery equipment a year. So long as British prices remain competitive, the industry should be able to build up steady sales to absorb its output.

Bahrein, Saudi Arabia and Venezuela are at present the biggest outlets for oilfield plant and equipment. Other areas of interest in prospecting, test boring and refinery development are Nigeria, New Guinea, Tunisia, Australia, Turkey, Israel, India, Pakistan and Burma. The British industry considers Canada a big potential outlet, if it can overcome American competition and meet the three-month delivery requirements of many of the Canadian companies.

The dollar shortage in many countries has helped to bring orders to U.K. producers, but they have been limited by competition from Germany, France and Italy, and by the demand for American technical standards. American refinery and oil production engineering companies are outstanding in oil technology and they have an important influence on the use of American standards. The major manufacturers have adopted these standards but many smaller firms have not yet done so. The industry has also been handicapped by shortages of material, mainly steel products such as high tensile rolled steel sections, alloy tubes and castings, and boiler plate. The situation is easing but it is still troublesome.

Selling to Canada on Small Scale

The Council of British Manufacturers of Petroleum Equipment, whose membership includes the great majority of the firms in the industry, has been actively assisting those of its members who want to sell in Canada and a beginning has been made, particularly in pumping equipment, instruments, and miscellaneous smaller units and components.

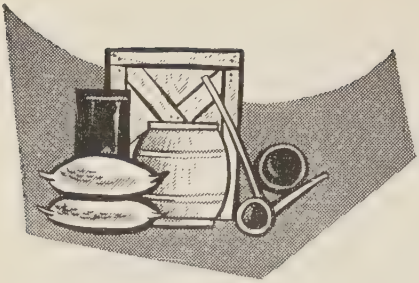
Other British engineering industries, such as the contractors' equipment manufacturers, are doing business with the Canadian petroleum interests. The refinery and oilfield equipment manufacturers too are making a strong bid to break into the Canadian market in strength.

—R. Campbell Smith
Commercial Secretary for Canada

Transportation

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade-routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.



COMMODITY NOTES

BRAZIL

Buses—Recent studies of Brazil's national bus fleet reveal that up to the end of 1954 there will be difficulties in maintaining the existing fleet and in replacing obsolete vehicles. Brazil will be forced to acquire no less than 7,700 buses of various types for replacements alone. In addition, a further 2,300 units will have to be imported to increase the fleet. The necessity for restricting use of foreign exchange means that only chassis to be completed by Brazilian manufacturers will be imported.

Bus manufacturers in Brazil produce roughly 5,000 vehicles a year, and it is hoped they will be able to increase their output. In addition, there are approximately 30 small producers with a capacity of about 1,200 units a year. If the recommendations to increase the fleet are carried out, there will be a market opportunity for Canadian firms who are able to bid on the chassis—São Paulo, May 14.

CHILE

Asbestos—Important asbestos deposits in the interior of the department of Arica in the north of Chile are to be developed. Machinery will arrive shortly and, in the absence of roads, will be conveyed to the mines on mule-back—Santiago, May 12.

CUBA

Nickel—According to information issued to the press by the Minister of the Presidency, nickel deposits, described as the second largest in the world, have been discovered by an American company in the eastern province of Oriente. Deposits of over 40 million tons of nickel, as well as substantial quantities of cobalt, have been found. The American company intends to install a pilot plant to exploit the deposits—Havana, May 18.

GOLD COAST

Cigarettes—Following its policy of encouraging local industries, the Gold Coast Government has granted a concession to the Gold Coast Tobacco Company Limited to assist them in establishing a cigarette manufacturing plant. The new company will manufacture cigarettes in Takoradi, and will introduce locally grown tobacco as soon as

available. It is estimated that it will take five years to obtain locally grown leaf in quantity and in the meantime imported leaf will be used.

The company's tobacco leaf department will have its leaf processing plant in Kumasi. A leaf growing and curing station scheme is planned in the northern territories—London, May 22.

MEXICO

Wheat—An optimistic statement that Mexico will not need to import wheat in 1952 and thereafter has been made by a government official. This year's domestic wheat crop is estimated at 500 thousand metric tons, half of it from the north-western state of Sonora.

Apart from 400 thousand tons allocated for sale to Mexico under the International Wheat Agreement, 350 thousand tons probably will be purchased abroad this year. However, officials of CEIMSA, a government food purchasing and distribution agency, said that domestic growers will be guaranteed from 600 to 830 pesos a metric ton, and that if the crop increases according to plan, the country will be self-sufficient by next year—Mexico, May 15.

SOUTH AFRICA

Canned Foods—Canning of South African vegetables has increased by 2,000 per cent in 12 years, according to the Department of Agriculture, and the canning of fruit during the same period has increased by nearly 700 per cent. In 1938-39 only 18 thousand tons of fresh fruit was bought by canning and jam-making firms in South Africa. In 1950-51 they bought 140 thousand tons. Only 2,500 tons of vegetables were canned in 1938-39 but in 1951-52 the figure was over 50 thousand.

Big new markets for South African fruit and vegetables are developing. One is the conversion of large tonnages of fruit and certain vegetables, such as tomatoes, into juices, syrups and concentrates; the other is quick-freezing of fruit and vegetables, only recently started in South Africa—Johannesburg, May 19.

UNITED STATES

Cars and Trucks—Output of cars and trucks in Detroit during the first quarter of 1953 shows a 43 per cent increase over the same period in 1952. First quarter total production of cars and trucks amounted to 1,859,000 units as against 1,293,000 last year. A greater output of new cars is in prospect for the second quarter if the factories can get the needed steel and manpower. More overtime and extra shift operations will definitely be required if the estimated 2,170,000 vehicles for this quarter are to be forthcoming. Although production in 1953 will not likely reach the all-time 1950 high of eight million units, the total this year should be between six and seven million vehicles.

Exports of cars and trucks from U.S. plants for January and February this year totalled 61,100 units, compared with 65,500 units for the same period in 1952. The 1952 figures represented 8 per cent of total output. January-February 1953 sales to foreign markets accounted for only 5·3 per cent of all production—Detroit, May 25.

France

Raw Materials Pay Customs Duties

A recent government decree, re-imposing duties on a number of basic raw materials, affects largely industrial chemicals, non-ferrous metals, and their primary forms.

PARIS—A recent decree of the French Government re-imposed customs duties on a number of raw materials—duties which had been suspended temporarily by a series of decrees issued after the war. Most of the duties re-established were suspended in 1951 but in some cases the suspension went back to 1947.

The new decree re-establishes customs duties on articles in about 90 different classifications, largely industrial chemicals and non-ferrous metals and their primary forms. In some cases the quantities of goods imported are not significant, but the total value of goods imported from foreign sources (as distinct from French overseas territories) in 1952 affected by the new regulations was about 22,000 million francs (about $63 million). All these items came in free of duties in 1952, so that the new legislation is important. The rates of duty vary from 8 to 30 per cent. A rough calculation of the revenue that would have accrued from these duties in 1952 gives some 3,000 million francs, or an overall average of about 14 per cent.

Of Interest to Canada

Several of the items affected by this new legislation are important exports from Canada, although few of them have been moving to France in recent years because of currency difficulties. Not many of the chemicals interest Canadian exporters, but nickel sulphate has been placed under a duty of 10 per cent. Imports of nickel sulphate are combined with sulphate of ammonium in the statistics, but in 1952 the imports of the two salts combined were 607 metric tons, valued at 117 million francs ($330 thousand). Ferro-silicon-tungsten will be dutiable at 12 per cent but France is self-supporting in these alloys and there were no imports last year. French production of ferro-silicon-tungsten totalled 1,122 tons in 1951.

Fairly high duties have been imposed on most non-ferrous metals and their primary forms (wire bars, wire, sheets, plates and plain sections). Steel wire and cold rolled hoop iron and steel are now affected. Given below is a general indication of the rates of duty and the pattern of imports, and also French production of some of the metals.

Various types of iron and steel wire are dutiable at 19 per cent. Most of this wire is made in France but in 1952 imports equalled about 1,000 metric tons. However, France is a net exporter of such wire, send-

ing over 87 thousand tons in 1952 to foreign countries and 35 thousand tons to French overseas territories. Deliveries of tempered steel wire in 1951 from French industry were about 515 thousand tons. During 1952 the monthly average was running well above 1951 for the first five months, but it fell off during the latter part of the year.

The duty on various types of cold rolled hoop iron and steel was set at 18 per cent. In 1952, 2,972 tons were imported but France is a net exporter, selling 4,059 tons abroad in 1952.

Copper

Most copper and alloys in its primary forms (except ingots) now must pay duties varying from 12-20 per cent, according to the particular form imported. The total weight of copper and its products imported from foreign countries in 1952 and now affected by the new duties was 16,750 tons, with a value of 7,385 million francs (about $21 million). In addition, about 535 tons came from French overseas territories. The main items imported in this group were copper bars, wire and plain sections, rolled or drawn, (13,125 tons). The duties on these items will be 12 per cent.

French production in 1952 of electrolytic copper in cathodes (ingots are free of duties and not affected by this decree) was 23,832 tons, and of various primary forms, 196,524 tons.

Nickel

The duties on nickel, nickel alloys and their primary forms vary from 8 to 25 per cent. Nickel ingots, cathodes, cubes, pellets and scrap are all made dutiable at 8 per cent but nickel matte remains free. The main refined nickel and nickel manganese alloy import is in ingots, etc., with 921 tons in 1952 out of total imports of 1,360 tons, (635 million francs—$1,775,000) of nickel in the forms now brought under duties. Other alloys of nickel in ingots, etc., are also dutiable at 8 per cent. In 1952, 336 tons came in under these classifications. Nickel production in France (from New Caledonian matte) in 1951 was 4,771 tons of refined nickel. However, production in 1952 fell sharply to only 3,348 tons, slightly below the 1938 figures.

Aluminum

Most aluminum and its primary forms are now brought under duties of 20 per cent. The total aluminum forms now subject to duty and imported from foreign countries in 1952 amounted to about 6,800 tons, valued at 1,940 million francs ($5,450,000). The bulk of these imports were in ingot and similar primary forms, (3,733 tons). Plain sheets accounted for 1,027 tons and foil (by French definition foil is ·05 m.m. and less in thickness) for 643 tons. The duties on foil are 25 per cent when it is unbacked with paper or plastic. Coated foil has always been dutiable at 20 per cent, and this remains unchanged. About 760 tons of aluminum ingots were imported from French overseas territories in 1952.

The production of aluminum in France has been expanding steadily since the war, even though costs of production are relatively high. In 1952 slightly over 106 thousand tons of primary aluminum were produced (plus about 20,500 tons of secondary metals), compared with 91 thousand

tons in 1951 and only 45,311 tons in 1938. This more favourable position was made possible by the continued advance in hydro-electric power production.

In fact, aluminum ceased to be in short supply toward the middle of 1952, partly because of a fall-off in home demand, and French exports recovered somewhat during the last six months. However, at 9,700 tons for the year, they were still well below the high mark of 18,500 tons reached in 1950.

Magnesium

Magnesium ingots, billets, scrap and waste pay 25 per cent, but bars, wire, plain sections, sheets, pipes and tubes pay 32 per cent. In fact, little magnesium is imported because local production provides for most of the demand. In 1952 there were only 16 tons of ingots, etc., imported, with a value of nine million francs ($25,300).

French production of magnesium is well below prewar. In 1951 it reached only 874 tons; 1952 figures are not yet available but for the first six months of the year production was running at about that level. French costs of production are very high and without the protection provided by exchange difficulties, it is doubtful whether the industry could compete with Canadian production, even with a duty of 25 per cent.

Zinc

The duty on zinc in ingots, cathodes, pellets, powder and dust has been fixed at 12 per cent. Other zinc forms, such as sheets, pipes, tubes and plain sections, are dutiable at 16 or 18 per cent, but in fact there are practically no imports in these forms. Imports of ingots, etc., in 1952 amounted to 43,993 tons valued at 8,132 million francs ($22,800,000) from foreign countries and 638 tons from French overseas territories. France exports some zinc, mostly in zinc sheets. In 1952, 259 tons of sheet were exported to foreign countries and 2,024 tons to French territories.

Belgium is the chief shipper of zinc to France, followed by the United States, Germany, the Netherlands, Mexico and Norway. In 1951, Canada shipped 1,473 tons but shipments fell off in 1952.

Production of zinc in France has been increasing steadily since the war. In 1951, 74,557 tons of primary metal were produced and 14,220 tons of secondary zinc. In 1952 the record of 80,064 tons of primary and 13,368 secondary metal was reached.

Lead

Lead ingots, bars, sheets and plates are all dutiable under the new decree. Lead ingot is the only one imported in any volume. It is dutiable at 8 per cent, but lead sheet is dutiable at 18 per cent if it is cut in regular shapes unworked, and at 20 per cent if worked in any way.

Imports of lead ingots, etc., totalled 10,536 tons (1,985 million francs —$5,575,000) from foreign countries and 41,212 tons from French overseas territories in 1952. In the same year a small amount of sheet, 76 tons, came in. Although French production has been increasing since the war, imports in 1952 have also been growing steadily after dropping substantially from the high level of over 55,000 tons in 1947. Mexico and Benelux

were the main sources of supply in 1952. Canada shipped a small amount in 1951, but none last year. Morocco and Tunis were the major shippers from French Africa.

French production in 1952 was 71,232 tons, of which 51,540 tons were virgin metal. This compares with a total of 68,532 tons in 1951 and 56,675 tons in 1938.

Molybdenum and Tungsten

Molybdenum in its primary forms (bars, filaments, etc.) was made dutiable at 19 per cent and tungsten at 24 per cent. Little of either metal is imported in this form. In 1952, 2·4 tons of tungsten filaments, bars, etc., were imported and about 2·9 tons of molybdenum. The ores of both come in free of duty and in 1951 (the latest figures available) 1,484 tons were imported. Production of molybdenum-tungsten ores in France in the same year amounted to 707 tons. Production of filaments, wire, plates and similar forms of tungsten totalled 11,348 tons and of molybdenum in the same forms 5,437 tons. These figures represent a considerable increase in tungsten production and a steady rate of molybdenum production since 1947.

Chromium

Chromium and its alloys are dutiable at 15 per cent when rolled or worked; at 20 per cent in ingot or waste form. There is practically no import of chromium into France because most of it is produced from imports of chromium ores (free of duty), principally from Turkey and New Caledonia.

Items on Temporary Free List

A great number of products still remain on the temporary free import list (that is, temporarily free of customs duties). These include some food products (meat, fillets of cod, butter, vegetables, coffee, grains, flour, oilseeds, and some sugars); many chemicals and pharmaceuticals; hides and skins; logs and some sawn timber; pulp and some paper. Most non-ferrous metals are now dutiable, but tin, tantalum and cobalt are still free. Some machinery and electrical apparatus, ships and aircraft are still free of duties.

—R. G. C. Smith
Commercial Counsellor for Canada

A new iceless refrigerated fresh fish container for less-than-carload quantities will soon make possible the delivery of pre-chilled fresh fish in the same prime condition in which they left the plant. Shrinkage of fish in transit has been largely reduced because the fish is kept at a constant temperature. Designed by the C.N.R.'s research and development branch, the container will enable plants to ship direct to smaller retailers and it can also be used for other perishable commodities. A chemical solution provides the refrigeration. Standard containers will have a capacity of 160 pounds and will maintain a temperature of 29 degrees for 100 hours, or about four days.

TRADE COMMISSIONERS ON TOUR

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

Richard Grew, Commercial Counsellor in New Delhi, India, will begin a tour of Canada in Ottawa on June 29. His itinerary is:

Ottawa—June 29-July 3
Vancouver—July 7-15
Windsor—July 20
London—July 21
Brantford—July 22
Hamilton—July 23
St. Catharines—July 24
Toronto—July 27-31
Montreal—August 3-7

C. J. Van Tighem, Consul of Canada and Trade Commissioner in São Paulo, Brazil, began a tour of Canada on June 3 in Hamilton. His itinerary is:

London—June 8
Windsor: Walkerville—June 9
Toronto—June 10-19
Montreal—June 22-30
Quebec—July 2-3
Arvida—July 4-6
Vancouver—July 29-31

A. W. Evans, Commercial Secretary for Canada in Havana, Cuba, began a tour of Canada in Toronto on June 1st. His itinerary is:

Toronto—June 1-12
Brockville—June 15
Montreal—June 16-30
Quebec—July 2
Saint John—July 6-8
Halifax—July 10-13
St. John's—July 14
Windsor: Walkerville—August 17
Chatham—August 18
London—August 19
Kitchener—August 20
Guelph—August 21
Hamilton—August 24-25
Victoria—August 31
Vancouver—September 1-3
Calgary—September 4
Edmonton—September 5
Saskatoon—September 7
Winnipeg—September 9

C. M. Croft, Commercial Counsellor for Canada in Sydney, Australia, began a tour of Canada in Vancouver on May 8. His itinerary is:

Toronto—June 5-17
St. Catharines—June 18-19
Hamilton—June 20-23
Windsor—June 24-25

M. T. Stewart, Commercial Counsellor for Canada in Mexico City, began the second part of his Canadian tour in Windsor and Walkerville on May 4. His itinerary is:

Montreal—June 8-18
Quebec—June 19
Saint John—June 22-23
Halifax—June 25-26

Businessmen may get in touch with these officers through the Board of Trade in Saskatoon, Chatham, Guelph, Montreal, Quebec, Saint John and Halifax; the Chamber of Commerce in Calgary, Kitchener, London, Welland, St. Catharines, Windsor, Hamilton, Brockville and Arvida; the Canadian Manufacturers Association in Edmonton, Winnipeg and Toronto; the Dept. of Trade and Industry in Victoria; and the Department of Trade and Commerce in Ottawa, Vancouver (355 Burrard St.) and St. John's (Stott Bldg.).

TRADE AND TARIFF REGULATIONS

BELGIUM

New Import Restrictions—A number of iron and steel products were made subject to import licences on importation into Belgium and Luxembourg effective May 1, 1953. These articles include crude cast iron, ferro-manganese containing more than 2 per cent of carbon, iron or steel in puddle balls or ingots, rolled blooms, billets and flat bars, plated coils for re-rolling, universal plates, hot-rolled or drawn bars, certain types of sheet and hoop iron or steel, rails, iron and steel railway sleepers and rolled fish-plates and bed-plates. Furthermore, iron or steel locks and padlocks, other than steel locks for motor car bodies, have required an import licence since April 15.

As most of the above articles are included in the Belgian list of free dollar imports, licences should be granted as freely for their importation from Canada as from non-dollar countries.

Exporters may obtain information on individual items subject to import licences from the International Trade Relations Branch, Department of Trade and Commerce—Editor.

BENELUX

Certain Customs Duties on Iron Products Increased—Effective May 1, 1953, the customs duties applicable on certain iron and steel products entering Belgium, the Netherlands and Luxembourg were revised as a result of the European Coal and Steel Community beginning operations. These products now enter Benelux duty-free from the other members of the Community (France, Western Germany and Italy). Certain of these products imported from non-member countries, including Canada, however, will pay duty at the existing rates only within a quota. Imports exceeding the quotas are subjected to increased duties ranging from 7 to 22 per cent ad valorem as against the normal range under quota from free to 6 per cent.

The articles subject to such increases include crude cast iron, carburized ferro-manganese, iron and steel in puddle balls; ingots, blooms, billets, flat bars, plated coils for re-rolling, universal plates, machine wire, bars, shapes, sheet and hoop iron or steel rails, iron and steel, railway sleepers and rolled fish-plates and bed-plates.

The rates of duty on some of the above items are bound by the Benelux countries under the General Agreement on Tariffs and Trade. At the Seventh Session of GATT held in 1952, permission was granted to the Benelux countries to modify these concessions for not more than five years, provided that the quotas for importation at the existing rates of duty shall be sufficient to satisfy the domestic demand for these products.

Exporters may obtain information about duties and quotas on individual items affected from the International Trade Relations Branch, Department of Trade and Commerce—Editor.

BERMUDA

Blasting Materials—The Bermuda Supplies Commission advised importers on May 5 that blasting materials may now be imported, under licence, from Canada and the United States.

MEXICO

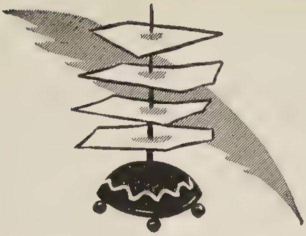
Tariff Charges—Tariff changes affecting certain imports have been announced, effective May 12. Among the products affected are pumps for deep wells, cables and connections of ordinary metals for car batteries, and sewing machines and parts.

Complete details concerning these changes may be obtained from the International Trade Relations Branch—Editor.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, France, Western Germany, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.



GENERAL NOTES

CUBA

New Cement Factory—Plans have been announced for the construction in Santiago de Cuba of a cement plant, with an authorized capital of six million pesos. The only other plant in operation in Cuba is located at the port of Mariel, some 70 kilometres from Havana. The new plant, which will serve the eastern end of the Island, will use German equipment. It is expected to be in full operation within a year, with a production capacity of 3,000 barrels a day. The new factory is expected to relieve the scarcity of cement in this country—Havana, May 18.

EGYPT

Foreign Capital for Local Industry—An Egypto-French company has just been formed with an initial capital of £E100,000 to establish a factory in Egypt for the manufacture of wires and electric cables. This sum will be increased to £E250,000 later. The factory is expected to be ready towards the end of the year and, initially, will produce about 70 per cent of the country's requirements. When fully operating it is expected to produce all Egypt's needs of this material. Egypt is now importing wires and cables to the value of £E2,000,000 a year but new industrial and hydro-electric projects will double her requirements—Cairo, May 12.

NORWAY

New Magnesium Factory—Plans are under way for a new factory to produce magnesium at Sorfold in the north of Norway where there are large deposits of a certain type of dolomite which has proved particularly suitable for magnesium production. During 1952, the total quantity of dolomite mined at Sorfold amounted to 90 thousand tons, one-half of which was delivered to the electro-chemical factories at Heroya in the south of Norway. The 1953 production of dolomite is expected to reach 120 thousand tons—Oslo, May 19.

PAKISTAN

Fertilizer Plant—The Pakistan Industrial Development Corporation, a Crown company, is building a fertilizer plant which will produce 50 thousand tons of ammonium sulphate a year. The cost of this plant is estimated at $19 million to which the Technical Co-operation Administration of the United States has agreed to contribute $7 million. The factory is scheduled to be completed towards the end of 1955-56—Karachi, May 7.

Foreign Trade Service Abroad

† Indicates a change since previous publication.
Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina Paraguay Uruguay	C. S. Bissett, Commercial Counsellor Acting Agricultural Sêcretary	Canadian Embassy, Bartolome Mitre 478, Buenos Aires	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 33-8237
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	C. M. Croft, Commercial Counsellor for Canada	City Mutual Life Building, 60 Hunter Street, Sydney	*Mail:* P.O. Box 3952 G.P.O. *Cable:* Canadian *Tel.:* BW 9351
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada and Agricultural Secretary	83 William Street, Melbourne	*Mail:* (City Address) *Cable:* Canadian *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	W. Gibson-Smith, Canadian Government Trade Commissioner	Forescom Building, Leopoldville	*Mail:* Boîte Postale 373 *Cable:* Canadian *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Secretary	Canadian Embassy, 35 rue de la Science, Brussels	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 11-33-88
Brazil	C. R. Gallow, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165, Rio de Janeiro	*Mail:* Caixa Postal 2164 *Cable:* Canadian *Tel.:* 42-4140
Brazil	C. J. Van Tighem, Consul of Canada and Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, Sao Paulo	*Mail:* Caixa Postal 6034 *Cable:* Canadian *Tel.:* 36-6301
Ceylon	Paul Sykes, Canadian Government Trade Commissioner	Galle Face Hotel, Colombo	*Mail:* P.O. Box 1006 *Cable:* Canadian *Tel.:* 5876
Chile	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, Santiago	*Mail:* Casilla 771 *Cable:* Canadian *Tel.:* 64189
Colombia Ecuador	W. J. Millyard, Commercial Secretary	Canadian Embassy Calle 19, No. 6-39, Bogota	*Mail:* Apartado 1618 *Airmail:* Apartado Aereo 3562 *Cable:* Canadian *Tel.:* 12-251
Cuba	A. W. Evans, Commercial Secretary	Canadian Embassy, Edificio Motor Centre, Calle Infanta 16, Havana	*Mail:* Apartado 1945 *Cable:* Canadian *Tel.:* UO-9457
Dominican Republic Haiti, Puerto Rico	R. E. Gravel, Canadian Government Trade Commissioner	Edificio Copello 410, Calle El Conde, Ciudad Trujillo	*Mail:* Apartado 451 *Cable:* Canadian *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Jordan, Saudi Arabia	Acting Canadian Government Trade Commissioner	Osiris Building, Sharia Walda, Kasr-el-Doubara, Cairo	*Mail:* P.O. Box 1770 *Cable:* Canadian *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	R. G. C. Smith, Commercial Counsellor for Canada	3 rue Scribe, Paris	*Mail:* (City Address) *Cable:* Canadian *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor	Canadian Embassy, 22 Zitelmannstrasse, Bonn	*Mail:* (City Address) *Cable:* Canadian *Tel.:* Bonn 38927
Germany	Wm. Van Vliet, Agricultural Secretary		

Territory	Officer	City Address	Mail and Cables, Office Telephone
Greece Israel, Turkey	H. W. Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., Athens	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 72-853
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner	28, 5a Avenida Sud, Guatemala City	*Mail:* P.O. Box 400 *Cable:* Canadian *Tel.:* 5590
Hong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., Hong Kong	*Mail:* P.O. Box 126 *Cable:* Canadian *Tel.:* 28336
India	Richard Grew, Commercial Counsellor	Office of the High Commissioner for Canada, 4 Aurangzeb Road, New Delhi	*Mail:* P.O. Box 11 *Cable:* Canadian *Tel.:* 40191
India Burma	B. I. Rankin, Commercial Secretary for Canada	Gresham Assurance House, Mint Road, Bombay	*Mail:* P.O. Box 886 *Cable:* Canadian *Tel.:* 20672
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., Dublin	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor	Canadian Embassy, Via Saverio Mercadante 15, Rome	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 846-842
Italy	C. F. Wilson, Agricultural Counsellor		
Italy	M. S. Strong, Commercial Secretary (Fisheries)		
Jamaica Bahamas, British Honduras	M. B. Palmer, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, Kingston	*Mail:* P.O. Box 225 *Cable:* Canadian *Tel.:* 2858
Jamaica	E. M. Gosse, Canadian Trade Commissioner (Fisheries)		
Japan Korea	J. C. Britton, Commercial Counsellor	Canadian Embassy Tokyo	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 48-4116
Lebanon Iraq, Syria	G. F. G. Hughes, Canadian Government Trade Commissioner	Centre Urbain Emir Beshir, Bâtiment A1, Rue Emir Beshir, L'Azarieh, Beirut	*Mail:* Boîte Postale 2300 *Cable:* Canadian
Mexico	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, Mexico, D.F.	*Mail:* Apartado 126-Bis *Cable:* Canadian *Tel.:* 36-27-90
Netherlands	J. A. Langley, Commercial Counsellor	Canadian Embassy, Sophialaan 1-A, The Hague	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 18-51-06
Netherlands Belgium, Denmark, Luxembourg	Acting Agricultural Secretary		
New Zealand Fiji, Western Samoa	L. S. Glass Commercial Secretary	Office of the High Commissioner for Canada, Government Life Insurance Bldg., Wellington	*Mail:* P.O. Box 1660 *Cable:* Canadian *Tel.:* 70-644
Norway Denmark, Greenland	J. L. Mutter, Commercial Secretary	Canadian Legation, Fridtjof Nansens Plass 5, Oslo	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	A. P. Bissonnet, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., Karachi	*Mail:* P.O. Box 3703 *Cable:* Canadian *Tel.:* 5826

Territory	Officer	City Address	Mail and Cables, Office Telephone
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, Lima	*Mail:* Casilla 1212 *Cable:* Canadian *Tel.:* 71950
Philippines	F. H. Palmer, Consul General of Canada and Trade Commissioner	Ayala Building, Juan Luna Street, Manila	*Mail:* P.O. Box 1825 *Cable:* Canadian *Tel.:* 3-33-35
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48—1°D., Lisbon	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 53117
Singapore Brunei, Federation of Malaya, Indonesia, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room D-5, Union Building, Singapore	*Mail:* P.O. Box 845 *Cable:* Canadian *Tel.:* 7739
South Africa (Natal, Transvaal) Southern Rhodesia, Northern Rhodesia, Nyasaland, Mozambique, Kenya, Tanganyika, Uganda, Zanzibar	C. B. Birkett, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, Johannesburg	*Mail:* P.O. Box 715 *Cable:* Cantracom *Tel.:* 33-2628
South Africa (Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar	K. F. Noble, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, Cape Town	*Mail:* P.O. Box 683 *Cable:* Cantracom *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	E. H. Maguire, Canadian Government Trade Commissioner	70 Avenida Jose Antonio, Madrid	*Mail:* Apartado 117 *Cable:* Canadian *Tel.:* 21-28-32
Sweden Finland	F. W. Fraser, Commercial Counsellor	Canadian Legation Strandvagen, 7-C, Stockholm	*Mail:* P.O. Box 14042 *Cable:* Canadian *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	Yves Lamontagne, Commercial Counsellor	Canadian Embassy Kirchenfeldstrasse 88, Berne	*Mail:* (City Address *Cable:* Canadian *Tel.:* 4-59-17
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	P. V. McLane Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, Port-of-Spain	*Mail:* P.O. Box 125 *Cable:* Canadian *Tel.:* 4787
United Kingdom (South of England, East Anglia, Scotland), Iceland, British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor R. Campbell Smith, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, London, S.W.1	*Mail:* (City Address) *Cable:* Sleighing *Tel.:* Whitehall 8701
United Kingdom	D. A. B. Marshall, Commercial Secretary (Agricultural)		
United Kingdom	R. D. Roe, Commercial Secretary (Timber)		*Cable:* Timcom

Territory	Officer	City Address	Mail and Cables, Office Telephone
United Kingdom (Midlands, North England, Wales)	M. J. Vechsler, Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	Commercial Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W., WASHINGTON, 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011
United States	Dr. W. C. Hopper, Agricultural Counsellor		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda	A. E. Bryan, Deputy Consul General of Canada and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States	M. B. Bursey, Consul of Canada and Trade Commissioner (Fisheries)		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	G. S. Patterson, Consul General of Canada	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	D. S. Cole, Consul General of Canada	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, CHICAGO 6	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* STate 2-7312
United States (Michigan, Ohio)	B. C. Butler, Consul of Canada and Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT, 26	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* WOodward 5-2811
United States (City of Los Angeles, Southern California, Arizona)	W. K. Wardroper, Vice Consul of Canada	Canadian Consulate General 510 West Sixth Street, LOS ANGELES 14	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* VAndike 7114
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	G. A. Newman, Consul of Canada and Trade Commissioner	Canadian Consulate. 215-217 International Trade Mart, NEW ORLEANS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
United States (Northern California, Montana, Oregon, Idaho, Washington, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	C. C. Eberts, Consul General of Canada	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* SUtter 1-3039
Venezuela Netherlands Antilles	J. A. Stiles, Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, CARACAS	*Mail:* Apartado 3306 *Cable:* CANADIAN *Tel.:* 55818
Venezuela Colombia	Acting Agricultural Secretary		

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relâtions Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·00787.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. May 28*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1322	
		Basic buying	·1984	
		Preferential selling	·1984	(1)
		Basic selling	·1322	
		Free	·07142	
Austria	Schilling		·03816	
Australia	Pound		2·2330	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01984	
Bolivia	Boliviano	Official	·00522	
British West Indies	Dollar		·5815	(3)
	Pound		2·7912	(4)
	Dollar	Brit. Honduras	·6978	
Brazil	Cruzeiro	Official	·05363	tax 8%
		Free	·02113	(2)
Burma	Kyat		·2093	
Ceylon	Rupee		·2093	
Chile	Peso	Official	·03195	(1)
		Commercial	·01652	
		Free	·00902	
Colombia	Peso	Basic	·3969	tax 3% (2)
		Coffee buying	·4263	
Costa Rica	Colon	Official	·1767	(5)
		Free	·1482	*April 15
Cuba	Peso		·9922	tax 2%
Czechoslovakia	Koruna		·01984	
Denmark	Krone		·1436	
Dominican Republic	Peso		·9922	
Ecuador	Sucre	Official	·06615	(6)
		Free	·05735	
Egypt	Pound		2·8491	
Fiji	Pound		2·5146	
Finland	Markka		·00431	
France	Franc		·00284	
French Africa	Franc		·00567	
French Pacific	Franc		·01560	
Germany	D Mark		·2362	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9922	
Haiti	Gourde		·1984	
Honduras	Lempira		·4961	
Hong Kong	Dollar	Free	·1646	*May 15
Iceland	Krona	Official	·06092	
		Special buying	·04693	
		Special selling	·03798	
India	Rupee		·2093	
Indonesia	Rupiah	Basic	·08703	(7)
		Dollar certificate	·00185	*April 15

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. May 28	Notes (See below)
Iran	Rial	Certificate I	·00986	*May 6
		Certificate II	·00962	*May 6
Iraq	Dinar		2·7912	
Ireland	Pound		2·7912	
Israel	Pound	Basic	2·7781	
		Special	1·3891	
		Investment	·9922	
Italy	Lira		·00159	
Japan	Yen		·00276	
Lebanon	Pound	Free	·2815	
Mexico	Peso		·1147	
Netherlands	Guilder		·2611	
Netherlands Antilles	Guilder		·5261	
New Zealand	Pound		2·7912	
Nicaragua	Cordoba	Effective buying	·1503	(8)
		Official	·1407	
		With Surcharge I	·1232	
		With Surcharge II	·09872	
Norway	Krone		·1389	
Pakistan	Rupee		·2999	
Panama	Balboa		·9922	
Paraguay	Guarani	Basic	·06615	(1)
		With Surcharge I	·04724	(9)
		With Surcharge II	·03307	
Peru	Sol	Certificate	·06174	
Philippines	Peso		·4961	tax 17% (2)
Portugal	Escudo		·03463	
El Salvador	Colon		·3969	
Singapore & Malaya	Straits dollar		·3256	
South Africa (Union of)	Pound		2·7912	
Spain & Dependencies	Peseta	Basic buying	·04531	
		Basic selling	·08843	
		Basic commercial selling	·06040	(1)
		Free	·02518	
Sweden	Krona		·1918	
Switzerland	Franc		·2315	
Syria	Pound	Free	·2710	*April 15
Thailand	Baht	Official	·07937	(1)
		Free	·05867	*March 31
Turkey	Lira		·3543	
United Kingdom	Pound		2·7912	
United States	Dollar		·9922	
Uruguay	Peso	Official	·6532	
		Basic buying	·5574	
		Special buying	·4222	(1)
		Basic selling	·5222	
		Special selling	·4049	
Venezuela	Bolivar		·2962	(10)
Yugoslavia	Dinar		·00331	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic rate plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952

$50,000,000 for breakfast

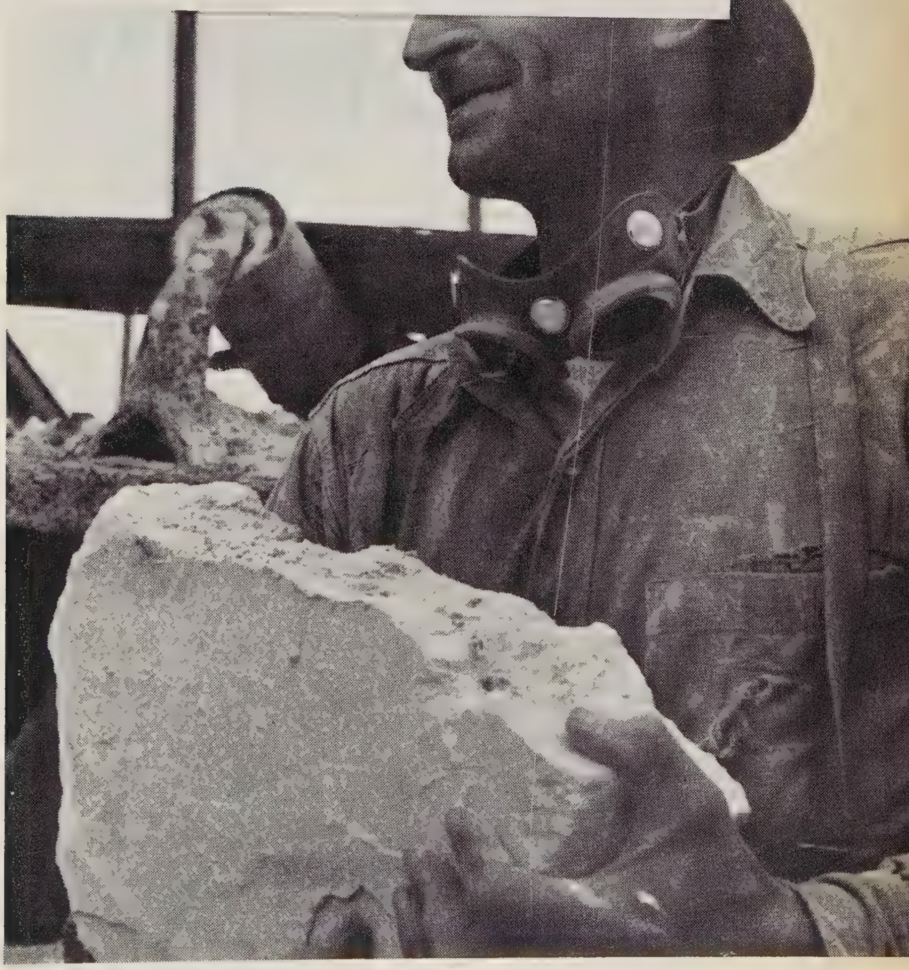
Most Canadians find coffee a pleasant drink, a part c everyday living. But it's more than that. Your co at breakfast represents $50,000,000 worth of business . . . Canada's coffee imports last year.

And that's $50,000,000 worth of purchasing power in th hands of our customers in South America, the Caribb area and Africa. So coffee is not only pleasant to drink . . . it means sales and employment for man Canadians.

Next week's issue of **foreign trade** will bring yo reports from 14 of the coffee-producing countries . . . a glimpse into the business behind that mornin cup of coffee.

e

, 1953



Sulphur Supplies: a Long-Term View (page 2)

foreign trade

VOL. 13 OTTAWA, JUNE 20, 1953 NO. 338

OVER . . . This worker at
ail, B. C., holds a chunk of
re sulphur, an increasingly
portant industrial raw ma-
ial. Supplies of sulphur
ve been short in the past
v years and producing and
nsuming countries are push-
projects for improving the
g-term outlook. For a re-
rt on what Canada is doing
this field, turn to page two.

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. Howe, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

Sulphur Supplies: a Long-Term View

Shortage of sulphur during the past few years has focussed attention on what Canada is doing to develop native supplies of sulphur or sulphur-bearing materials, and facilities for their use. Here is an authoritative report on this subject.

SULPHUR IN ITS SEVERAL FORMS has become increasingly important as an industrial raw material over the last 100 years. The world's major sources of supply have been sulphides, usually sulphides of metals (i.e. pyrites), and natural sulphur in the uncombined state. Pyrites occur more generally than native sulphur, which is confined to a relatively few large deposits.

For sulphur in its native form, importing countries have come to depend more and more upon the Gulf coast of the United States, the world's largest source of supply. Rapidly rising peacetime demands, and later, the outbreak of the Korean war, provoked a shortage of native sulphur. As a result, attention became focussed on the world's present supplies and the long-term outlook.

Supply Problem Examined

Producing and consuming countries alike are seriously concerned over the prospects for maintaining production and have embarked upon a multitude of projects designed to improve their long-term supplies. These include both increased use of pyrites and native sulphur, as well as new processes for recovering sulphur from crude oil, oil shale, natural gas and non-ferrous smelter gases.

Canada too is attempting to protect its sulphur-consuming industries by developing indigenous supplies of sulphur or sulphur-bearing materials and creating facilities for utilizing them in this country. Some projects have already been completed; others are still in the construction stage. Still others, though they have been postponed for the time being by what appears to be a short-term improvement in the world's sulphur supply, may be completed over the next five to ten years.

Sulphur Ores Exported

Canada has always exported sulphur-bearing ores, mainly in the form of pyrites and zinc blende. Indeed, up until last year only about 20 per cent was used domestically to produce sulphuric acid, mainly in conjunction with smelter operations at Trail and Sudbury. With the exception of the smelter gas operations at Trail, all of the zinc sulphide ores were exported because there were no other Canadian facilities for extracting their sulphur content. Canadian exports of these sulphur-bearing materials have gone principally to the U.S.

As a result mainly of greater pyrites production and the using of smelter gas, in addition to the elemental sulphur now being recovered from natural gas fields in Alberta, production of contained sulphur in all forms is expected by 1955 to increase by about 60 per cent over 1951.

Production of Sulphur in All Forms in Canada

(thousands of long tons of contained sulphur)

Source	Actual 1951	1952	Estimated 1953	1954	1955
Natural Gas*	....	9·0	18·0	18·0	18·0
Pyrites	163·3	237·0	270·4	310·5	329·0
Zinc Blende	71·0	80·0	80·0	80·0	80·0
Smelter Gas	150·0	157·1	201·2	201·2	201·2
Total	384·3	483·1	569·6	609·7	628·2

* No allowance has been made here for additional sulphur which, in a few year's time, may be recovered from the scrubbing of presently capped additional sour natural gas pools in the western provinces.

Some of this "contained" sulphur will, as before, be exported in combined form. The amount likely to be recovered in Canada for Canadian consumption has been estimated below for purposes of comparison:

Consumption of Canadian Produced Sulphur in All Forms

(thousands of long tons of contained sulphur)

Source	Actual 1951	1952	Estimated 1953	1954	1955
Natural Gas	....	9·0	18·0	18·0	18·0
Pyrites	30·8	29·7	79·3	137·6	152·4
Zinc Blende	....	4·5	11·9	12·0	12·0
Smelter Gas	150·0	157·1	201·2	201·2	201·2
Totals	180·8	200·3	310·4	368·8	383·6

Sulphur recovered from natural gas will be used almost wholly by the West Coast pulp and paper industry and by other industrial plants on the prairies, and the two extraction plants in Alberta will be operating the year round in 1954. Pyrites burned in this country will be used by the pulp and paper industry and sulphuric acid producers in Eastern Canada, where all but one project will be completed and in operation this year. The sulphur content of zinc blende consumed in Canada will be used to produce sulphuric acid in a new plant brought into production last year, and the increase in smelter gas recovery will be used to produce sulphuric acid and sulphur dioxide for the pulp and paper industry. New facilities for the production of the latter at Copper Cliff, Ontario, came into operation in November 1952. This development is one which has had a history of at least five years' experimentation, design and pilot plant operation and Eastern Canadian pulp mills will be able to cut back their imports of elemental sulphur by over 40 thousand tons a year once the plant is in full operation. Incidentally, this is the largest known project of its kind in the free world and is making a unique contribution to the easing of the sulphur problem and the use of waste materials in Canada.

74384—2

Despite all this, Canada will still probably have to import some 250 to 300 thousand tons of elemental sulphur a year. These imports, when added to Canadian consumption from domestic sources, give:

Total Canadian Consumption of Sulphur in All Forms

(thousands of long tons sulphur content)

Source	Actual 1951	Actual 1952	1953	Estimated 1954	Estimated 1955
Sulphur as such*	373·0	369·8	336·9	297·5	298·7
Pyrites	30·8	29·7	79·3	137·1	152·4
Zinc Blende	....	4·5	11·9	12·0	12·0
Smelter Gas	150·0	157·1	201·2	201·2	201·2
Total	553·8	561·1	629·3	647·8	664·3

* Elemental sulphur from the Noranda project is included in pyrites.

It appears that Canadian sources of supply, currently about one-third of total consumption, will be supplying nearly 60 per cent of total consumption by 1955, in spite of an expected overall increase in demand of nearly 20 per cent during the period.

Imports Expected to Decrease

Our requirements of native sulphur, which are wholly met by imports, are expected to decrease by about 80 thousand tons by 1955. This may happen in spite of an expected overall increase in demand for sulphur in all forms of nearly 100 thousand tons by the pulp and paper and sulphuric acid industries. Pulp and paper requirements of imported sulphur as such can be expected to fall off by nearly 30 per cent over the next three years; the acid producers are expected to need about 23 thousand tons less. The increase will be met from domestic sulphur dioxide from the Copper Cliff project, in addition to the supplies to be obtained from natural gas recovery and the burning of pyrites and zinc sulphides by the pulp and paper and acid producers. The sulphur dioxide recovered from pyrites at Welland will also be used in acid production.

The pulp and paper industry and the sulphuric acid industry absorb the major proportion of this country's sulphur consumption. Together these two industries consume all but a few thousand tons of the total sulphur in all forms used in Canada. Requirements by the pulp and paper industry are likely to be met from the following sources over the next three years:

Consumption of Sulphur in All Forms

Pulp and Paper Industry

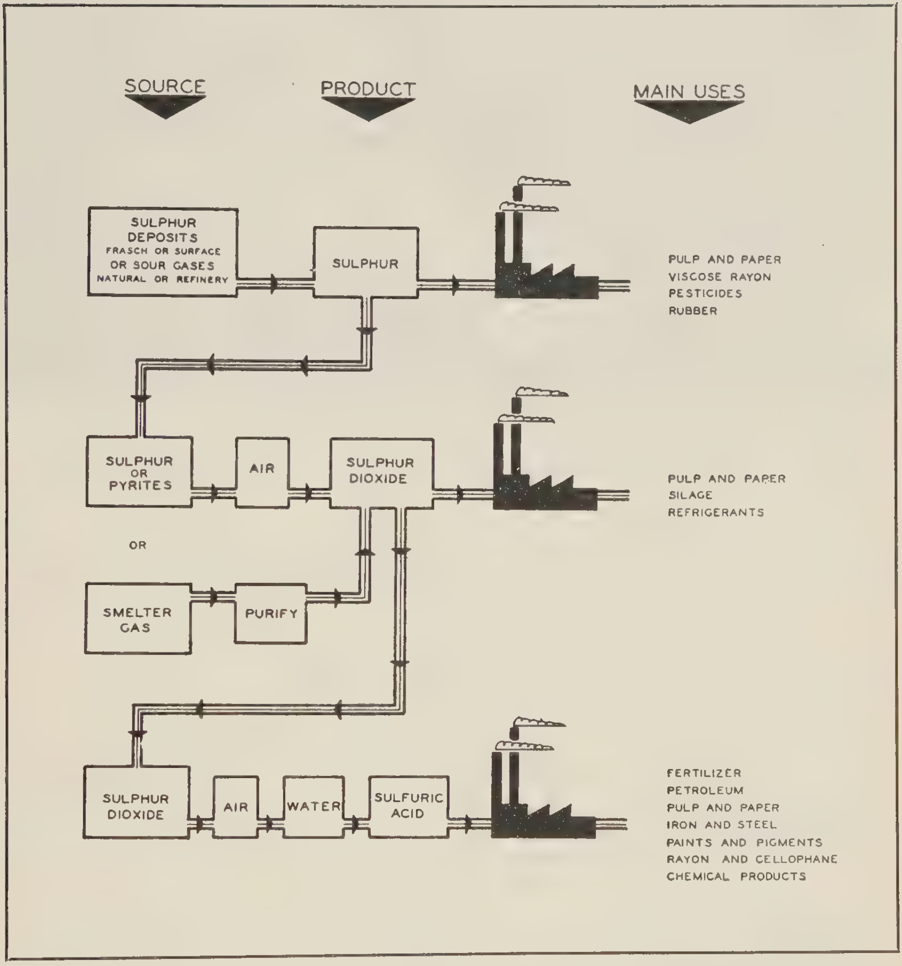
(thousands of long tons of contained sulphur)

Source	Actual 1951	Actual 1952	1953	Estimated 1954	Estimated 1955
Sulphur as such					
—Domestic*	....	4·0	13·8	13·8	13·8
—Imported	267·7	290·7	228·6	204·8	211·0
Pyrites	3·1	4·0	25·4	59·9	64·4
Smelter Gas	....	....	40·2	40·2	40·2
Totals	270·8	298·7	308·0	318·7	329·4

* Elemental sulphur from the Noranda project is included in pyrites.

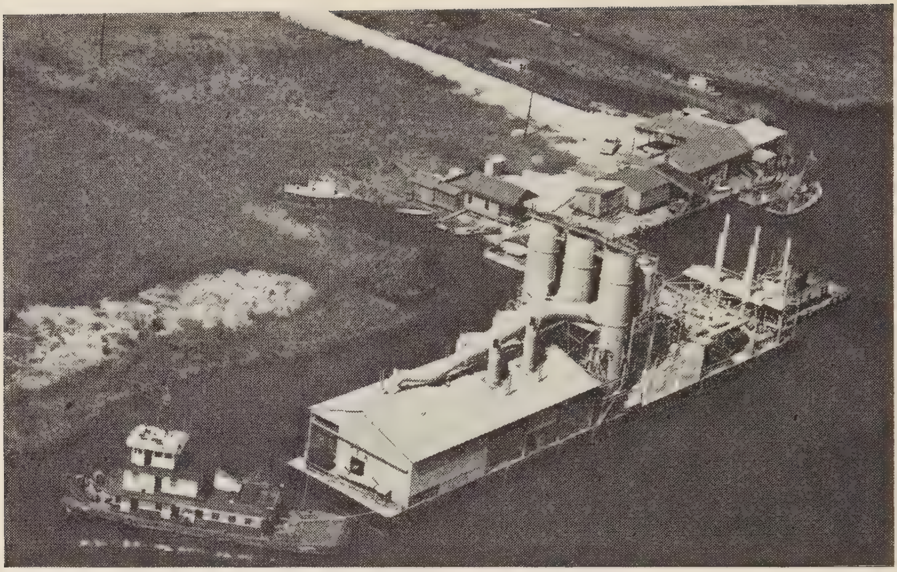
SULPHUR IN ALL FORMS

Flow Analysis



—Dept. Defence Production.

In the past, the pulp and paper industry has relied entirely on imported elemental sulphur, with the exception of one mill at Three Rivers which burns pyrites. This industry accounts for over three-quarters of Canadian elemental sulphur requirements—almost the reverse of the situation in the United States and Great Britain, where the major consumer is the acid industry. The above table points up the tremendous saving on imported sulphur which the pyrite projects, the sulphur dioxide and natural gas projects will make possible. It is impressive, especially because the sulphur equivalent requirements of this industry in 1955 will be about 60 thousand tons greater than in 1951. On the basis of f.o.b. Gulf coast prices, this will represent an annual U.S. dollar saving of nearly $1·5 million at current prices in this industry alone.



Projects to develop sulphur supplies and facilities for their use will cut down Canada's imports of this material, most of which come from the U.S. Gulf coast, the world's largest source of native sulphur. This sulphur mining plant, built on a barge, is used in the Louisiana marshes.

Equally impressive is increased use of Canadian-produced sulphur-bearing materials by the sulphuric acid industry in Canada.

Consumption of Sulphur in All Forms

Sulphuric Acid Industry

(thousands of long tons of contained sulphur)

	Actual			Estimated	
Source	1951	1952	1953	1954	1955
Sulphur as such	78·3	71·1	71·1	55·0	48·0
Pyrites	27·7	26·5	50·7	90·0	100·0
Zinc Blende	....	4·5	11·9	12·0	12·0
Smelter Gas	150·0	157·1	161·2	161·2	161·2
Totals	256·0	259·2	294·9	318·2	321·2

Although producers expect acid production to increase by over 30 per cent by 1955, their imported sulphur requirements are expected to decline by about 40 per cent from the 1951 position. On a dollar basis this represents an additional annual U.S. dollar saving of over three-quarters of a million at current prices, excluding transportation charges.

Expected Production

It is estimated that the above sources of supply for the production of sulphuric acid will be used fully by the acid industry, which foresees an average increase of about 5-10 per cent a year in its markets for sulphuric acid over this period. This is a fairly conservative estimate because acid demand around the world has been growing since the 1930's at a rate of 10-13 per cent a year. Fertilizers, acid requirements for which will increase by about 120 thousand tons by 1955, will be responsible for the major increase in the market. More than half of the increased

production will come from Eastern Canada. The expected marketed production of acid as seen by the acid producers is outlined in the following table:

Canadian Marketed Production

Sulphuric Acid

Market	Actual 1951	Actual 1952	Estimated 1953	Estimated 1954	Estimated 1955
	(thousand of long tons 100 per cent acid)				
Fertilizers	460·4	465·3	543·2	583·0	584·0
Textiles	24·5	26·0	38·0	40·0	40·0
Metallurgical uses	85·0	107·0	123·0	125·0	125·0
Other	131·1	163·1	165·8	170·0	170·0
Total	701·0	761·4	870·0	918·0	919·0

The pulp and paper and the sulphuric acid industries account for over 95 per cent of the elemental sulphur used in this country and almost an equal percentage of the total sulphur in all forms used in Canada. The remainder of Canada's sulphur is required by producers of insecticides, special fertilizers, carbon bisulphide and rubber, whose small tonnages of refined sulphur are met almost solely by imports. These requirements are also expected to increase over the next three years and imports will, to a large extent, continue to meet these demands.

Canadian Self-Sufficiency

On balance, it is estimated that total Canadian production of sulphur in sulphur-bearing materials will increase from about 483 thousand long tons last year to 628 thousand long tons in 1955, without taking into consideration additional recoveries from Canadian natural gas. Over the same period, total consumption of sulphur in all forms in Canada will increase from about 561 thousand long tons to about 664 thousand long tons.

Thus, in spite of a total increase in requirements of sulphur in all forms of nearly one-fifth, imported sulphur consumed in Canada may decrease by about 20 per cent over the same period and will represent by 1955 less than 40 per cent of Canada's total use. This represents a decided improvement in Canadian self-sufficiency in spite of a growing domestic demand, for at present, imported sulphur represents over two-thirds of the sulphur in all its forms which Canada uses.

—J. P. Lounsbury
Economics Division
Department of Defence Production

This article was condensed from an Industrial Bulletin prepared several weeks ago by the above division of the Department of Defence Production—Editor.

74384—3

Norway and the Whaling Industry

Norwegian whalers, long the leaders in Antarctic whaling but now beset with problems, are deeply interested in the International Whaling Conference, opening in London on June 22nd.

OSLO—On June 22, the International Commission for the Regulation of Whaling will meet in London for its fifth conference. During its sessions, the International Whaling Agreement, adopted in 1944, will come up for discussion. This agreement sets an annual limit of 16 thousand blue whale units on the maximum total catch for all Antarctic whaling expeditions and all of the eight countries which participated in 1952-53 whaling expeditions are signatories to it. (One blue whale unit is defined as one blue whale, or two finback whales, or 2½ humpback whales, or six seiwhales.)

The conference serves to focus attention on the circumstances which first made such an agreement necessary and on the Antarctic whaling industry generally, which Norway dominates. Though the catching of whales began as far back as the 12th century, it was not until late in the 19th century that stocks of blue and finwhales in the North Atlantic began to be depleted. It was then that whalers turned their eyes towards the little-known Antarctic.

Antarctic Fishing Begins

In 1890 Chr. Christensen of Sandefjord sent two expeditions down to the Antarctic to investigate conditions. Results then and in the next few years were so promising that in 1905 he dispatched southwards the world's first floating whaling factory, the *Admiralen*, of 1,500 tons. Although it was modestly equipped in comparison with modern ships, the advantages over working entirely from shore stations were at once confirmed and Christensen's example was soon followed by other interested nations.

The processing equipment on board these early factory ships was not very efficient. Much good material was thrown overboard and refining capacity was limited to about 600 barrels a day. Top loading was about 5,700 tons, a weight that appears to have remained standard until the First World War. For refining, open kettles and small pressure boilers were used and it was not until 1912 that the Hartmann boiler, a rotary boiler of superior efficiency, was invented, though it was not generally used until 1925. Its life was short; five years later it was succeeded by the Norwegian-built Kvaerner boiler, operating on the same principle but stronger.

At that time catches in the Antarctic were substantially controlled. All shore stations, on which even the factory ships with their modest capacity had to base themselves, were situated in the Falklands archipelago. Operators had to obtain a concession from the British authorities and only a certain number of permits a year were granted. This, and

strict regulations about the use of the catch, helped to protect the whale stock from extermination. But in efforts to increase production, floating factories took to hunting for whales along the edge of the pack-ice where there was some protection from the weather when flensing alongside and where, for the time being, they did not come under direct British supervision.

Conservation Problem Arises

The latest advance came in 1925. A Norwegian, Petter Sørlie, invented a hauling-up slipway and a factory ship belonging to Messrs. Melsom & Melsom of Larvik was at once equipped with this new device. Whales could now be hauled on board complete in the open sea and factory ships could thus be independent of either shore stations or the shelter of the pack-ice. Once outside territorial waters, it was not necessary to obtain concessions and no limit to the number of whales that might be caught. Whale catches rocketed. Within the season 1925-26 to 1930-31 they rose from 14,219 to 40,201.

By 1930 it was obvious that the Antarctic whale stocks were heavily depleted. The next year, when the bottom fell out of the oil market and large stocks of oil remained unsold, the companies agreed among themselves that they would not operate during the 1931-32 season. During this break, in 1932, they reached a general agreement limiting the overall annual production to approximately 2·4 million barrels of oil. At the same time, Norway reduced her expeditions from 27 in the 1930-31 season to nine in 1932-33. In 1937 an international agreement was drawn up and signed by nearly all participating countries, limiting pelagic operations to three months a year.

However, Japan began sending whaling expeditions to the Antarctic in the season 1934-35, to be followed by Germany in 1936-37. In the next few years both these countries made considerable additions to their whaling fleets and, although Germany became partner to the international agreement, Japan declined to do so. Japan therefore operated entirely without restriction in the years immediately before the last war. Soon there were clear indications that, once again, whales were rapidly being exterminated. In the 1937-38 season, with a combined total of only three years' experience behind them, German and Japanese companies were responsible for 745,541 barrels of oil—or nearly one-quarter of the entire production of 3,340,330 barrels.

Agreement Signed

With the war the whales had a well-earned rest. Whale regeneration, however, is slow, because a female bears only one calf every second or third year. In 1944 the present International Whaling Agreement was adopted, with its maximum catch of 16 thousand blue whale units. Upheld at subsequent International Whaling Conferences, these restrictions are still in force and Norway, Britain, South Africa, Japan, the Netherlands, the USSR, Panama and Argentina are all signatories. Among other strict rules, all expeditions must send weekly returns to the Bureau of International Whaling Statistics at Sanderfjord in Norway. Acting upon this information, the Bureau orders each year when operations shall cease.

74384—3½

By the end of the war Norway had lost seven of her floating factories and 39 catching boats and, with the exception of three German factory ships (later allocated to England, Norway and the USSR) all foreign factory ships had been lost. In 1945, all Norwegian whaling companies which had taken part in the 1939-40 season agreed to operate jointly over the period 1945 to 1948 and to use one-half of the operating surplus to restore the Norwegian whaling fleet. Four new factory ships have since been built for Norwegian owners and the Antarctic whaling fleet now consists of 10 factory ships, one land station and 131 catching boats.

During the 1952-53 season, 16 expeditions and three shore stations participated, with a total of 253 catching boats at their disposal. Distribution by countries was:

	Floating factories	Shore stations	Catching boats
Norway	7	1	102
Great Britain	3	1	55
South Africa	1	..	16
Japan	2	..	30
Netherlands	1	..	12
U.S.S.R.	1	..	15
Panama	1	..	16
Argentina	..	1	7

This is four expeditions and 38 catching boats less than in the preceding season, a result probably of the fall in oil prices. In January 1952 Norway sold large quantities of oil at £120 per ton, but by June the price dropped to £72.10.0. Later in the year foreign oil was selling at £70. With their present high overhead costs and falling markets, Norwegian companies are unwilling to gamble too heavily and rumours that factory ships will be converted to other uses are prevalent.

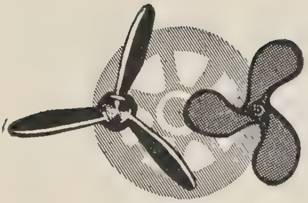
Future Uncertain

From the beginning of Antarctic whaling operations in 1904 up to the 1951-52 season, some 775,680 whales were caught in that area, and Norwegian expeditions accounted for 386,314. Of the total production of 54,714,049 barrels of whale oil, Norway produced 27,454,733 barrels, or 50·18 per cent. These figures look promising but for Norwegians the future of Antarctic whaling seems uncertain. Increased foreign competition and limited catches mean smaller shares all round and, with high operating costs and falling markets, operators are worried. Should Norway be forced to reduce her fleet, the fate of many trained whaling crews who, specialists at their trade, expect and have so far received high remuneration, will be uncertain. The outcome of this year's International Whaling Conference is certainly awaited with interest here.

—J. L. Mutter
Commercial Secretary for Canada

TOUR OF TERRITORY

M. R. M. Dale, Commercial Secretary for Canada in Santiago, Chile, will visit northern Chile early in July, including Arica, Iquique, Antofagasta and the nitrate and copper mines. Businessmen interested in these areas should write Mr. Dale at Santiago as soon as possible.



TRANSPORTATION NOTES

CANADA

Venezuelan Shipping Service—The Ahlamann Trans-Caribbean Line will inaugurate regularly scheduled sailings from the Port of Montreal to the northeast coast of South America on June 24th and July 24th and every month thereafter, for a total of six departures during the 1953 season. The line will begin operations with the *M.S. Colonia* and the *M.S. Ciandra.* Ports of call scheduled in Venezuela are La Guaira, Puerto Cabello, Maracaibo and others as cargo offers. The company's vessels can carry twelve passengers and have modern cargo-handling equipment. Shipping Limited are the Canadian agents for the new service.

CEYLON

Air Service Suspended—The Acting Minister of Transport and Works has announced that the government-owned Air Ceylon will cease to operate its international air service from the end of September of this year. The reason given is that the DC-4 Skymasters now used on the weekly international run to London cannot compete with faster aircraft used by other international lines such as BOAC, TWA, Air-India and Quantas Empire Airways.

The losses incurred by Air Ceylon International to date this year are estimated to total a million rupees—($200,000), deemed far too large for the country to bear in view of its present economic condition—Bombay, May 29.

CHILE

Jet Plane Service to Great Britain—Officials of the British Overseas Airways Corporation have visited Santiago to study the establishment of a passenger service, using jet-propelled planes, between Chile and Great Britain. Once the necessary information on weather conditions and other operating factors has been compiled, experimental flights will be made—Santiago, May 30.

FRANCE

Merchant Marine Increased—During 1952, the French merchant marine continued to grow both by launchings from French ports and by imports from British, Danish, German, Dutch and Swedish yards. At the end of the year the fleet totalled more than 3½ million tons, a net increase of 230 thousand tons over 1951. The French yards launched 39 ships in all, with a gross tonnage of 213 thousand, nearly

10 thousand tons less than in 1951. Twenty ships were built for France in foreign yards, two in the United Kingdom (3,329 tons), one in Denmark (12,270 tons), two in Germany (4,631 tons), 13 in Holland (31,323 tons), and two in Sweden (15,050 tons). With these additions the French merchant marine is now some 77 thousand tons over its tonnage in 1939—Paris, June 10.

ITALY

Inter-Continental Airport Being Built at Fiumicino—Tenders have now been handed in for the construction of an inter-continental airport at Fiumicino, on the mouth of the river Tiber about 15 miles from Rome, and construction is expected to begin shortly. While work had commenced at this airport more than a year ago, it was soon suspended and an even larger project is now envisaged. Two long, modern runways suitable for the heaviest aircraft are to be built, at an expected cost of 3,000 million lire over an extended period—Rome, May 30.

JAPAN

New International Airport—A new spacious airport will be constructed on reclaimed land in Koto-ku, an eastern district of Tokyo. The new airport will be about twice as large as Haneda Airport, which is now congested, and will be built by both the Government of Japan and Tokyo city at a cost of over $3·5 million. The project was first begun in 1938 and some areas were reclaimed, but work was suspended during the war—Tokyo, May 30.

NORTHERN RHODESIA

New Railway Line—The International Bank for Reconstruction and Development has advanced £5 million to the Northern Rhodesian Government to finance a three-year program for the development of its overtaxed rail facilities. During 1952 tonnages carried were 70 per cent greater than during 1946; production of chrome ore has consistently exceeded rail capacity, and mine head stockpiles of ore of over 500 thousand tons have accumulated. Pressure on Beira, now the chief port for the Rhodesias, will be relieved by the alternative route being built between Bannockburn in Southern Rhodesia and the Mozambique border. A complementary railway will give access to the port of Lourenço Marques; it will be owned by the Portuguese Government and financed by a loan from the Export-Import Bank. With the establishment of this second major sea outlet for the Rhodesias, the burden of transit cargo over the lines of the South African Railways will be substantially lightened—Cape Town, May 29.

SOUTH AFRICA

Deficit on Transportation Operation—Higher operating costs and declining imports produced an operating deficit of £2·1 million in the seven months to January 1953, for the Transport Department which controls the railways, harbours, steamships, airways and aerodromes. During the same period last year operations returned a surplus of £7·7 million—Cape Town, May 29.

Trends in Food Processing Industries

With consumer incomes larger and food prices slightly lower, domestic food sales should continue high; the export outlook is uncertain.

OTTAWA—During the first quarter of 1953, Canadian grocery and meat stores sold between four and five per cent more food products than they did during the first three months of 1952. This increase in unit volume sales at the retail level was reflected in slightly higher employment and production in the basic food processing industries for the first three months of this year compared with 1952.

The domestic retail picture for the rest of 1953 looks generally buoyant. At the present time, disposable consumer incomes are running higher than last year and with slightly lower food prices prevailing, it is probable that food sales to Canadian consumers, both in volume and in value, will compare favourably with those of last year.

Food Sales Abroad

Foreign demand for Canadian food products is showing mixed trends at the present time. The overall picture for foreign sales of fish products is now reasonably good, although prices are somewhat lower than for the same period of last year. For most dairy products, however, slackening foreign demand and lower prices are evident, as compared with last year. In addition, only nominal quantities of beef have so far been shipped to the important United States market. However, heavy beef marketings by Canadian farmers are expected in the months ahead and this situation could change.

External sales of flour for the first part of the year are running slightly behind those of 1952. Against this background of a generally buoyant domestic demand and a somewhat mixed export picture, trends in some of the more important food-processing industries are considered in greater detail.

Fish Processing

With domestic consumption of fishery products continuing high despite increased competition from meat products, the main problems of the industry are centred around foreign markets, which normally take over 50 per cent of Canadian output. In this export trade, the most significant development in recent months has been the U.K. Government's $4,250,000 purchase of canned B.C. salmon. With roughly 200 thousand cases of canned salmon expected to be shipped under this agreement, the inventory problem which B.C. salmon canners have experienced since the large 1951 pack reached the market should be considerably relieved.

The U.S. market for fresh, frozen and canned salmon was particularly buoyant in 1952 and helped to provide a strong alternative outlet for West Coast packers at a time when the large traditional market in the United

Kingdom was closed. The level of sales to the U.S. is being maintained at the present time, but the volume of shipments after the second half of the year will be conditioned to a large degree by the size of the fish catch from Alaskan and U.S. coastal waters this season. Prospects for maintaining a good volume of exports of canned salmon to the important Belgian market meanwhile remain encouraging.

A very sharp decline in herring oil prices on the world market in 1952 precipitated a price dispute in the B.C. herring industry that resulted in a tie-up of the herring fleet and the elimination of the 1953 winter herring catch. As a result, no herring oil or meal was produced on the West Coast in the 1952-53 season.

Salted and Frozen Fish

On the East Coast, exports of salted groundfish to many of Canada's important export markets were larger in volume during the first quarter of 1953 than in the corresponding period of 1952. Shipments to countries in the Caribbean area, especially Puerto Rico, have been encouraging in the first part of this year and indications point to favourable sales prospects in this area for the rest of the year. Norwegian production of salted cod may be considerably below that of 1952 because of the adverse weather conditions which its fleet encountered during the early part of the 1953 season. Accordingly, Brazil and some countries in Southern Europe may have to increase their purchases from other sources. However, exchange difficulties in Brazil have prevented that country from resuming its normal purchases of Canadian salted cod so far this year.

Although year-end inventories of frozen cod fillets in the Atlantic provinces were high, increased exports should see these stocks returning to a more normal level later this year. Reports indicate that holdings of frozen cod fillets in the United States are being reduced at the present time. Shipments of Canadian cod to this market have been higher this year, although prices have been somewhat lower.

Considerable stocks of last year's output of hard cured bloaters and some varieties of pickled fish are currently on hand on the East Coast. Production of these two forms of fish was fairly high in 1952, but normal quantities are expected to be marketed in 1953.

Fruit and Vegetable Canning

Present stocks of canned vegetables are considerably above holdings at the same time last year. Domestic demand remains strong, with slightly lower prices than during 1952. However, the large carry-over from the 1952 pack may result in reduced activity in the vegetable processing industry during this year. Current inventories of canned fruit are slightly lower than at the same time last year. With prices down slightly, a good sales volume is expected to continue throughout the year.

Dairy Products

During the first quarter of 1953 production of most milk products (with the notable exception of evaporated milk) was higher as compared with the same period of last year. Output of creamery butter was up by 24 per cent, cheddar cheese production by 20 per cent, and condensed milk, whole milk powder, and other milk products were up substantially. An open winter and larger dairy herds increased milk supply.

This greater production has taken place in the face of declining export markets for some dairy products. In many cases this has resulted in the accumulation of domestic stocks, with the Federal Government undertaking subsequent support measures. Stocks of creamery butter in Canada on May 1st were over 50 per cent higher than on May 1, 1952, representing about five weeks' supply. Recently it has been announced that butter will be supported at 58 cents per pound basis in storage Montreal and Toronto for two years, effective May first.

Cheese and Milk Powder

Recent increased deliveries of cheddar cheese to the United Kingdom, now largely completed under this year's small five million pound contract, have held stocks close to last year's high level. However, the absence of secure export markets, combined with increased domestic production, has made it necessary for the Federal Government to buy surplus stocks from domestic cheese producers.

Exports of most other milk products are running below those of last year although shipments of evaporated milk in unit volume terms are up considerably. This general downward trend in export markets, together with present higher production rates, has meant a substantial increase in domestic stocks with some downward revisions in price. As a result the Federal Government has also agreed to purchase 10 million pounds of skim milk powder from the domestic dairy industry this year.

The surplus dairy product position has recently been influenced also by action in the United States, which changed quota restrictions on dried whole milk, dried cream, and dried buttermilk to outright embargoes. Exports of dried skim milk and butter to the United States had been banned previously. Because there is a considerable surplus of dairy products in that country at present, it may be some time before exports to the U.S. improve.

Slaughtering and Meat Packing

Current reports from stockyards in Canada indicate that a trend towards heavier marketings of cattle and calves in 1953 is rapidly becoming established. Stockyard receipts of cattle and calves during the first four months of 1953 were over 40 per cent above receipts in the comparable period of 1952. Even discounting the disruption of normal marketing patterns that followed the outbreak of hoof and mouth disease in Western Canada in February 1952, the increase in marketings this year points to some effort by Canadian cattle producers to reverse the trend towards larger cattle holdings, evident for the past few years. This higher level of cattle marketings has more than offset a decline in hog deliveries, so that employment in Canadian packing houses has been running above that of last year.

Current inventories of dressed beef at wholesale levels are not considered unmanageable at the present time because of strong domestic demand, but a continued movement towards heavier receipts, combined with normally higher marketings in the fall, could lead to a surplus beef position. If so, some downward pressure might be exerted on domestic beef prices and this might permit a resumption of exports to deficit beef areas in the United States.

Farrowings of hogs in the fall of 1952 and the spring of 1953 were down significantly from the previous year. The effects of a smaller pig crop are now being felt in a lower level of hog slaughterings and an upward movement in prices for live animals and dressed meat. However, the upward pressure on pork and pork product prices could be tempered by the larger supplies of beef and veal.

Grain Mill Products

During the first few months of the year, production of grain mill products was running slightly below that of early 1952. Most of this decline was associated with a lower domestic demand for ground feed products and slightly lower exports of wheat flour and oatmeal products.

Prospects are encouraging for the maintenance of foreign shipments of Canadian wheat flour near 1952 levels for the rest of the year. Accordingly, with a strong domestic demand, current high levels of activity in that branch of the industry are expected to continue. On the other hand, feed mills may continue to find some slackness in demand for some months because of the reduced swine and poultry population currently being held on Canadian farms.

Beverages

Levels of employment in distilleries and breweries at the moment are above those of last year. Not only does this reflect high domestic sales, but in whisky at least, substantially higher exports. Employment in carbonated beverage plants and wineries is also up over that of last year. Because of the high levels of current income, these trends in the beverage industries may be expected to continue.

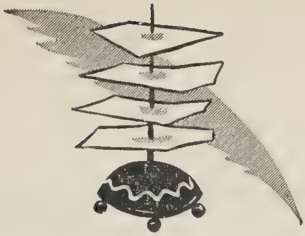
—Economics Division
Department of Trade and Commerce

—For a similar review of other consumer goods industries, see "Foreign Trade" of June 6, 1953.

Transportation

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.



GENERAL NOTES

BRAZIL

Export Marks—According to recently approved instructions on the marking of Brazilian goods shipped abroad, all boxes, sacks, bales, crates and other containers in which goods are exported must be marked as follows. The container must display either the contours of the map of Brazil, with the word "Brazil" printed in capitals in the centre of the map horizontally; or a rectangle containing a lozenge obtained by linking the centres of the sides of the rectangle by straight lines, with the word "Brazil" printed horizontally in capitals in the centre of the lozenge, with two small circumferences. On top of the contours or lozenge, one of the following expressions must be printed: "Procuzido no Brasil", "Made in Brazil", or "Produit du Bresil"—Rio de Janeiro, May 30.

FRANCE

Banking Business—The year 1952 witnessed a large expansion in almost all sectors of banking business in France. Banking deposits increased by around 12 per cent and reached an all-time record. Private capital issues rose from 66,000 million francs during 1951 to 170,000 million francs in 1952, and the official discount rate remained at 4 per cent during the year. Commercial and industrial demands for banking credits were lively and on many occasions banks had difficulty in meeting them because of insufficient liquid resources and the credit restrictions imposed by the Central Bank—Paris, June 11.

TRINIDAD

U.K. Loan Received—Trinidad's outstanding loan of $22 million to be floated on the London market will likely be raised towards the end of the year. Of this amount $10 million will be devoted to the island-wide electricity scheme, now estimated to cost a total of $18 million by 1957—Port of Spain, June 2.

WEST GERMANY

Establish Foundry in Brazil—It is reported in Bonn that Mannesmann-Huettenwerke of Duisburg-Huckingen (Ruhr) will construct a large steel mill and tube plant at Belo Horizonto, Brazil. Construction will take several years. The plant will be situated approximately 15 kilometres from Rio de Janeiro, close to a power plant which is now being built, and will produce tubes from the smallest size up to eight inches, and also thin steel and wire of 5 to 50 millimetres cross-section—Bonn, June 8.

Brazil's Cotton Problem

Prices above those on world markets cut exports of cotton, brought hardship to growers, and created a difficult situation which the Government is still trying to overcome.

SAO PAULO—Back in the years 1939 to 1944, cotton (including the value of seed) ranked first among Brazil's crops. For most of that time, the state of São Paulo produced about 75 per cent of the total crop.

Since 1944, cotton production has declined steadily, except for the bumper crop last year of 1·8 million bales. Among the reasons given for this trend are the greater attention being paid to more profitable crops such as coffee and foodstuffs and, in São Paulo, the rapid depletion of soil fertility which is one great drawback to the growing of cotton. By 1950, São Paulo was producing only 53 per cent of the total Brazilian crop and even in 1951-52 the quality of the crop was low, with only 12·9 per cent of it classified as "better grades".

Exports Fall

The textile industry in São Paulo uses a large percentage of the longer fibre cotton grown in the north of Brazil as well as some of the local crop. However, for many years São Paulo's share of total Brazilian cotton exports has been well over 90 per cent. In 1952, these exports fell to an all-time low of 28,130 metric tons—compared, for instance, with 352,752 metric tons in 1946 and 143,412 in 1951. This drop has added considerably to Brazil's foreign exchange difficulties and has produced a complicated situation.

Cotton has, in fact, been a very contentious issue in Brazilian financial and commercial circles for many months past and will continue to be in the spotlight until a satisfactory way is found to dispose of the reported 1½ million bales now held by the Banco do Brasil. The Banco do Brasil, by government decree, purchased last year approximately 270 thousand tons of the Paulista crop and some 55 thousand tons in Northern Brazil.

Heavy Futures Purchases

To appreciate the situation, it is necessary to review the conditions which led to this purchasing system. In the latter part of 1951, very heavy purchases of futures in cotton were made on the Cotton Exchanges and prices were, consequently, pushed well above those in other large producing countries. The growers, feeling optimistic, increased the acreage planted to cotton, and rentals for land went up considerably. Although pest control had been neglected for some years, the producers bought large quantities of insecticides at enhanced prices. Obviously they could not correct pest conditions all in one year and the last crop was produced at very high cost to the growers.

At the same time, the textile trade throughout the world went into a severe recession. As a result, world cotton prices fell as demand dwindled. The Brazilian Government decided to assist the farmers to market their crops without loss and the Commission for Financing Production established a minimum price, basis Type 5, for seed cotton and also a price at which the Government would finance or purchase ginned cotton. This proved to be unwieldy and the ginners were unwilling to purchase seed cotton.

Government Price High

The original price to the farmer was unsatisfactory and the President consented to a minimum price of Cr.$85.00 per 15 kilos of seed cotton "without classification". As cotton of inferior quality was not to be discounted, prices again went up. The growers were anxious to sell at this attractive price, but the ginners refused to buy. The President of the Republic then instructed the Banco do Brasil to purchase seed cotton and to arrange for the ginners to process it on behalf of the Bank at a fixed charge agreed upon by the Bank and the ginners. The Banco do Brasil thus purchased almost the entire crop at prices about thirty per cent above those in other producing countries. Because the Banco do Brasil did not dispose of these stocks, the price differential increased as interest and warehousing charges mounted rapidly. As of February 23, 1953, the Banco do Brasil had invested Cr.$4,877,000,000 in the purchase, ginning, freighting and warehousing of this cotton. Maintenance charges amount to about Cr.$40,000,000 a month. Public financing has now been announced for the São Paulo 1952-53 crop.

These cotton pickers are pictured at work in the cotton growing region around Novo Americano, State of São Paulo. Cotton production in this state has declined steadily, as growers turned to more profitable crops.

In September 1952, a German Commission opened negotiations for 30,000 tons but, for competitive reasons, they were unwilling to agree on a price above the world price. Eventually, by adjusting the exchange rate for German exports, a price of 15 per cent above the U.S. price was agreed on. This would allow German spinners to buy Brazilian cotton at the same price as U.S. cotton.

This arrangement fell through, however, because the Banco do Brasil could not assume the loss. (The Banco do Brasil is a joint-stock company in which the Brazilian Government owns less than 60 per cent of the shares.) Naturally, private shareholders were unwilling to assume these obligations. The Ministry of Finance was unable to absorb the loss because Congress had not approved funds to defray such accounts.

Cotton for Jets

In the latter part of 1952, the Brazilian Air Ministry opened negotiations for British jet fighter planes and a tentative arrangement was made whereby Brazil would exchange approximately 15 thousand tons of cotton for 70 jets manufactured by the Gloster Aircraft Co. Ltd. After a great deal of protracted discussion, in early February 1953 the contracts were formally signed at a reported average price for cotton of about 31 pence per pound. Later, a small barter deal was arranged with Spain and limited agreements reached with other Latin American countries.

In December 1952 the President of the Banco do Brasil published a notice offering cotton for sale to national firms for payment over five years at the very low rate of 3 per cent interest a year. This scheme met a great deal of opposition, especially from the Minister of Finance, Sr. Horacio Lafer, and was eventually discredited by the President of the Republic. In the public controversy which followed, the President of the Banco do Brasil, Sr. Riccardo Jafet, resigned.

In January 1953 a second scheme was announced. Brazil's foreign representatives abroad published a notice that the Banco do Brasil would accept bids on lots of not less than 3,000 tons of one or more types to the following countries: United Kingdom, Japan, Germany, France, Belgium, Italy, Portugal, Sweden, Denmark, Finland and Spain. Shipments were to go directly to the buying country and payment could be made in the currency commonly in use in that country.

This offer met with discouraging results; bids were for very small tonnages and prices invariably below world prices for similar grades. The Banco do Brasil announced in February that it was not interested in any of the offers received and that a third disposal scheme was being studied by the Superintendency of Currency and Credit. To date nothing has been forthcoming about alternative plans for the disposal of the large stocks and the problem assumed greater proportions as the new crop was ready for harvest.

Outlook for Next Crop

The São Paulo cotton harvest, which began in March, is taking place more rapidly than last year because public financing was authorized earlier than it was last season. Of the total classified so far, about 81 per cent represented types one to five, as compared with only 29 per cent last year. São Paulo's exports from January 1 to March 31, 1953, totalled

8·7 thousand tons, compared with 6·4 thousand for the same period last year, though prices on type five declined in April to Cr.$248.00 per arroba from Cr.$263.52 in March.

It is expected that this coming season, the area planted to cotton will decrease by about 27 per cent, from 550,242 alqueires to 396,740 alqueires. (One alqueire equals approximately six acres.) Brazil's cotton future, in fact, will hinge largely on the methods ultimately devised to dispose of the heavy holdings of the Banco do Brasil. The Free Exchange Bill which became effective in February of this year decreed that cotton exports would continue to be at the official rate of exchange, thereby keeping Brazilian cotton prices well above those on the world market.

—M. P. CARSON
Vice-Consul of Canada
and Assistant Trade Commissioner

Singapore Remills Rubber

Remilling wet slab and scrap rubber, an important industry, last year suffered a setback.

SINGAPORE—The important rubber remilling industry here suffered a severe setback last year, checking a continued postwar expansion. There are now 13 rubber remilling factories in Singapore but today half of them are idle and production in the rest has been reduced. At peak, these plants employed an average of 500 workers each and turned out nearly 15 thousand tons of remilled rubber a month, compared with Malaya's new rubber production of 50 thousand tons a month.

Why Production Has Fallen

• The main reason for the drop in Singapore's production of remilled rubber—from a monthly average of 14,400 tons in 1951 to 8,700 tons in 1952 and 6,700 tons this year—is the drop in world trade and prices for natural rubber. The yearly average price for C blanket crepe was M$1·2537 a pound in 1951 and M$0·7386 a pound in 1952 and 1953. In 1951 exporters in Indonesia were able to buy from planters and sell to Singapore remillers on a rising market. Today's falling or steady market conditions make it too risky for Chinese dealers to conduct this business.

• Another difficulty traders must contend with is the system of export duties imposed in Indonesia. These duties are on a sliding scale, based on previous market prices; they are thus proportionately higher on a falling market. The duties also encourage exporters to ship rubber to buying countries direct and bypass Singapore.

• Finally, the Indonesian Government has fostered its own remilling industry to supplement the processing of home-grown raw materials. Despite agitation by commercial and industrial interests in Singapore, it seems likely that the colony will lose this once-thriving entrepôt trade.

The remilling industry depends on imports of wet slab rubber from Sumatra and on scrap rubber, mainly from Indonesia. Wet slab is virgin latex with a coagulant added and it has a strong, unpleasant odour. It is produced on native-owned plantations or smallholdings, and in the jungle where there are no proper milling plants and smoke houses. Chinese exporters in Sumatra ports purchase the slab and ship it in junks or tongkangs to Singapore for remilling. In 1951 over 150 thousand long tons of wet slab were imported into Singapore, but in 1952 imports dropped to less than 95 thousand tons.

Sources for Scrap

Scrap rubber comes from several sources. Before a tree is tapped, there is always a thin strip of dried latex left from the previous tapping. These strips, which contain bits of bark and other foreign matter, are collected with the residue of latex in the cups. On the plantations scrap is also collected in the form of drippings from the ground. In shipping warehouses, gangs of coolies examine each sheet of processed rubber and clip out bits of foreign matter before the sheets are baled and labelled for export. These clippings also make up scrap. Scrap rubber imports into Singapore dropped from 45 thousand tons in 1951 to 14 thousand last year.

Processing Methods

Wet slab or scrap is first washed to remove bark, stones, earth, sand and any other impurities. Then it is mangled, air or steam-dried and, finally, creped. The bulk of production is known as "thick remilled No. 3 crepe" or "C blanket crepe". It has a thick, rough appearance and a dirty brown colour, and must be baled (5 cu. ft., ten bales to a shipping ton) with strip metal for export. Ribbed smoked sheet, on the other hand, is thin by comparison, clear brown in colour and clean in appearance. Because it has adhesive qualities, it can be baled without wire or metal strips. Remilled rubber with a high proportion of impurities is known as flat bark crepe.

Remilled crepe is as good for certain industrial purposes as ribbed smoked sheet and, because it normally sells at a substantial discount, production and shipments bulk large in Singapore's economy. In 1951 exports of remilled crepe totalled 267,772 tons, compared with 754,117 tons of good grade sheet rubber. But in 1952 the drop in exports of blankets, to 154,277 tons, was relatively greater, compared with 628,142 tons for sheets.

—D. S. Armstrong
Canadian Government Trade Commissioner

"Oxygen steel", a product of the Brassert process used in Europe, will soon be turned out in Canada, following an agreement between the Zurich company which originated the process and a Canadian plant. This technique is said to turn out steel for automobile bodies and the making of tinplate at operating costs 25 per cent less than in the standard open-hearth process and 50 per cent less than in the electric furnace method.

COMMODITY NOTES

ARGENTINA

Seed Potatoes—The Argentine Ministry of Agriculture announces that the Central Bank has allocated the sum of US$1,430,000 for the official purchase of certified seed potatoes from Canada and the United States.

The import will be made next November and the varieties preferred are Katahdin and White Rose. They will be planted in the southeast of the province of Buenos Aires—Buenos Aires, May 30.

BRAZIL

Brazil Nuts—The 1952-53 harvest of Brazil nuts is unofficially estimated at 30 thousand metric tons of unshelled nuts, compared with 17 thousand tons from the 1951-52 crop. However, wholesale and export markets for Brazil nuts have been virtually inactive since mid-January, pending clarification of this commodity's position in the free exchange market. The export of unshelled Brazil nuts under the free exchange market in the 30 per cent classification has now been approved and market activity is expected to pick up again—Rio de Janeiro, May 28.

ITALY

Cement—Domestic production of cement in Italy will not cover requirements in 1953 for the southern half of the peninsula and the Mediterranean Islands. Consequently, clinker will be imported during the first half of the year to provide the additional 200 thousand tons needed. In the latter half of 1953 the output of new factories, stepped-up production in existing ones, and plant enlargements should provide for normal requirements—Rome, June 4.

JAPAN

Iron Ore—The Ministry of International Trade and Industry has allocated $25,050,500 for imports of iron ore in the six-month period April-September, 1953. Of this total, $11,257,000 covers iron ore imports from the dollar area, $7,876,500 from the sterling area, and $5,917,000 from Open Acount countries—Tokyo, May 26.

PHILIPPINES

Coal—An American geologist is exploring coal mining possibilities in the Philippines, under the sponsorship of MSA and the Philippine

Bureau of Mines. Development of a coal mining industry, however, has been retarded by the low grade of much of the coal, geological structures that make mining difficult, and lack of transportation facilities. Mines now operating produce about 300 tons a day, compared with an average daily output of 5,000 tons in most American mines. In addition to assisting in geological surveys, the MSA expert is helping to train native geologists—Manila, May 30.

PORTUGAL

Antibiotics—The Ministry of Economic Affairs has announced a reduction in retail prices of locally-produced penicillin and streptomycin products. The announcement points out that the reduced prices were made possible by a drop in world prices of the raw materials. It is expected that the new prices will mean a saving of some $280 thousand to the public this year—Lisbon, June 8.

SCOTLAND

Whisky—Scotch whisky exports during the first quarter of 1953 were greater than ever before for the same period and are now running at the highest yearly rate in the history of the industry, according to a recent announcement by the Scotch Whisky Association. Exports totalled 3,202,307 proof gallons and earned £9,114,765. Of this, the U.S. took 1,675,457 proof gallons, valued at £4,828,001. Canada was the next best customer, with 192,604 gallons, valued at £590,850—London, June 12.

TRINIDAD

Cocoa—Planters participating in the cocoa pool are receiving a record dividend of 32 cents per lb. for the April-September 1952 crop. Previous dividend was 18 cents per lb. Price of cocoa in Trinidad rose by $4 per fanega in November 1952, all grades going from $36 to $40, with approved first class plantation getting an extra $4 as an incentive to crop care—Port of Spain, May 25.

UNITED STATES

Natural Gas—With the lifting of price controls in early February this year, the main natural gas producing states, such as Texas, Louisiana, Oklahoma, Kansas and New Mexico (which provide 90 per cent of the natural gas consumption in the United States) expect a considerable rise in the price of natural gas at the well-head. Large pipeline operators who paid 4·61 cents per thousand cubic feet in 1949 and 6·52 cents in 1952 were paying an average price of 9·43 cents this year. The consumption of natural gas in the United States has increased from seven million people using 2·6 trillion cubic feet in 1942 to twenty million people using 8·5 trillion cubic feet in 1952. This growing demand is exerting such pressure on the prices that operators expect them to reach 15 cents within the year, with possible maximum price of 20 cents in Texas and 25 cents in Louisiana within the next four or five years. This should prove a boon to these states when compared with prices in 1940, when the operators paid one to two cents per thousand cubic feet—New Orleans, June 15.

TRADE COMMISSIONERS ON TOUR

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

B. A. Macdonald, Commercial Counsellor for Canada in Bonn, Germany, begins a tour of Canada in Ottawa, July 6-10, and Montreal, July 13-17. His complete itinerary will appear later.

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, begins a tour of Canada in Ottawa, June 29-July 10, and then visits Montreal, August 17-26 and Toronto, August 27-September 4. His complete itinerary will be published later.

Richard Grew, Commercial Counsellor in New Delhi, India, will begin a tour of Canada in Ottawa on June 29. His itinerary is:

Ottawa—June 29-July 3
Vancouver—July 7-15
Windsor—July 20
London—July 21
Brantford—July 22
Hamilton—July 23
St. Catharines—July 24
Toronto—July 27-31
Montreal—August 3-7

C. J. Van Tighem, Consul of Canada and Trade Commissioner in São Paulo, Brazil, began a tour of Canada on June 3 in Hamilton. His itinerary is:

Montreal—June 22-30
Quebec—July 2-3
Arvida—July 4-6
Vancouver—July 29-31

A. W. Evans, Commercial Secretary for Canada in Havana, Cuba, began a tour of Canada in Toronto on June 1st. His itinerary is:

Montreal—June 16-30
Quebec—July 2
Saint John—July 6-8
Halifax—July 10-13
St. John's—July 14
Windsor: Walkerville—August 17
Chatham—August 18
London—August 19
Kitchener—August 20
Guelph—August 21
Hamilton—August 24-25
Victoria—August 31
Vancouver—September 1-3
Calgary—September 4
Edmonton—September 5
Saskatoon—September 7
Winnipeg—September 9

C. M. Croft, Commercial Counsellor for Canada in Sydney, Australia, began a tour of Canada in Vancouver on May 8. His itinerary is:

Hamilton—June 20-23
Windsor—June 24-25

M. T. Stewart, Commercial Counsellor for Canada in Mexico City, began the second part of his Canadian tour in Windsor and Walkerville on May 4. His itinerary is:

Saint John—June 22-23 Halifax—June 25-26

Businessmen may get in touch with these officers through the Board of Trade in Saskatoon, Chatham, Guelph, Montreal, Quebec, Saint John and Halifax; the Chamber of Commerce in Calgary, Kitchener, London, Welland, St. Catharines, Windsor, Hamilton, Brockville and Arvida; the Canadian Manufacturers Association in Edmonton, Winnipeg and Toronto; the Dept. of Trade and Industry in Victoria; and the Department of Trade and Commerce in Ottawa, Vancouver (355 Burrard St.) and St. John's (Stott Bldg.).

TRADE AND TARIFF REGULATIONS

CUBA

Documentation Requirements Suspended—A Cuban decree extends for 90 days from May 10, 1953, the suspension of the requirement that exports to Cuba be covered by a copy of the B-13 form certified by the Customs office at the port of exit from Canada, and visaed by the Cuban Consul at the Canadian port of shipment.

The latest suspension period will expire on August 10, 1953.

GREECE

Luxury Tax Reduced—Effective April 29, Greece reduced the rates of luxury tax applicable to certain goods, whether imported or produced domestically, from their former range of 30 to 600 per cent to rates varying between 10 and 50 per cent. The tax is levied on the local wholesale prices as assessed by the Greek customs for each shipment.

Among the articles of interest to Canada, the luxury tax was reduced on jams and marmalades from 60 to 30 per cent, on fountain pens from 45 to 10 per cent, on patent and shaped glove leather from 45 to 25 per cent, on dolls and toys from 45 to 30 per cent, on whisky, gin and raw fur skins from 45 to 40 per cent. Moreover, the former 60 per cent luxury tax on edible substances prepared with meat and on preserved vegetables in containers up to 6·6 pounds gross has been abolished—Athens, May 27.

Information on the rate of luxury tax on individual items may be obtained from the International Trade Relations Branch, Department of Trade and Commerce—Editor.

IRELAND

Import Controls—By three quota orders issued under the Control of Imports Acts 1934 and 1937, the Government of the Republic of Ireland has announced additional quotas for the period June 1, 1953, to November 30, 1953, as follows:

Certain electric filament lamps (100-250 volts 1-1,500 watts): 50,000 articles, as against a similar quantity for the previous six months.

Certain woven cotton piece goods: 1,345,000 square yards. Quota unaltered from previous six months.

Certain woven cotton piece goods: 50,000 square yards. Similar to quota for previous six months.

Certain woven cotton piece goods: 1,140,000 square yards, as against 800,000 square yards for previous six months' quota—Dublin, May 20.

UNITED STATES

New Import Quotas for Dairy and Other Products—According to Presidential Proclamation 3019, published in the *U.S. Federal Register* of June 12, 1953, imports from all countries of the articles listed below shall be subject to quantitative limitations and fees, as follows, effective July 1, 1953:

Article	Quantity
Butter	707,000 lb. per 12-month period
Dried whole milk	7,000 " " " " "
Dried buttermilk	496,000 " " " " "
Dried cream	500 " " " " "
Dried skimmed milk	1,807,000 " " " " "
Malted milk, and compounds or mixtures of or substitutes for milk or cream	6,000 " " " " "
Cheddar cheese, and cheese and substitutes for cheese containing, or processed from, Cheddar cheese	2,780,100 " " " " "
Edam and Gouda cheese	4,600,200 " " " " "
Blue-mold (except Stilton) cheese, and cheese and substitutes or cheese containing, or processed from blue-mold cheese	4,167,000 " " " " "
Italian-type cheese	9,200,000 " " " " "
Peanuts	1,709,000 " " " " "
	Additional Fee to Be Imposed
Peanut oil	25 per cent ad val. on imports in excess of 80,000,000 lbs.
Flaxseed (except flaxseed approved for planting)	50 per cent ad val.
Linseed oil	50 per cent ad val.

There is a proviso that this proclamation shall be without force and effect if section 104 of the Defence Production Act of 1950, as amended, is extended beyond June 30, 1953.

Import restrictions have been imposed on the commodities listed above during the last two years, in accordance with the requirements of the Defence Production Act. The above Proclamation will now impose import restrictions on these commodities in accordance with the requirements of Section 22 of the Agricultural Adjustment Act—Editor.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·00629.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. June 11*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1325	
		Basic buying	·1987	
		Preferential selling	·1987	(1)
		Basic selling	·1325	
		Free	·07153	
Austria	Schilling		·03822	
Australia	Pound		2·2365	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01992	
Bolivia	Boliviano	Official	·00523	
British West Indies	Dollar		·5824	(3)
	Pound		2·7956	(4)
	Dollar	Brit. Honduras	·6989	
Brazil	Cruzeiro	Official	·05372	tax 8%
		Free	·02008	(2)
Burma	Kyat		·2097	
Ceylon	Rupee		·2097	
Chile	Peso	Official	·03200	(1)
		Commercial	·01655	
		Free	·00903	
Colombia	Peso	Basic	·3975	tax 3% (2)
		Coffee buying	·4271	
Costa Rica	Colon	Official	·1770	(5)
		Free	·1502	*May 15
Cuba	Peso		·9937	tax 2%
Czechoslovakia	Koruna		·1380	
Denmark	Krone		·1439	
Dominican Republic	Peso		·9937	
Ecuador	Sucre	Official	·06625	(6)
		Free	·05718	
Egypt	Pound		2·8536	
Fiji	Pound		2·5186	
Finland	Markka		·00432	
France	Franc		·00284	
French Africa	Franc		·00568	
French Pacific	Franc		·01561	
Germany	D Mark		·2363	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9937	
Haiti	Gourde		·1987	
Honduras	Lempira		·4969	
Hong Kong	Dollar	Free	·1632	*May 29
Iceland	Krona	Official	·06102	
		Special buying	·04701	
		Special selling	·03805	
India	Rupee		·2097	
Indonesia	Rupiah	Basic	·08717	(7)
		Dollar certificate	·00188	*May 15

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. June 11	Notes (See below)
Iran	Rial	Certificate I	·00973	*May 14
		Certificate II	·00963	*May 14
Iraq	Dinar		2·7956	
Ireland	Pound		2·7956	
Israel	Pound	Basic	2·7825	
		Special	1·3913	
		Investment	·99375	
Italy	Lira		·00160	
Japan	Yen		·00276	
Lebanon	Pound	Free	·2852	
Mexico	Peso		·1149	
Netherlands	Guilder		·2615	
Netherlands Antilles	Guilder		·5269	
New Zealand	Pound		2·7956	
Nicaragua	Cordoba	Effective buying	·1506	(8)
		Official	·1410	
		With Surcharge I	·1234	
		With Surcharge II	·09888	
Norway	Krone		·1391	
Pakistan	Rupee		·3004	
Panama	Balboa		·9937	
Paraguay	Guarani	Basic	·06625	(1)
		With Surcharge I	·04732	(9)
		With Surcharge II	·03313	
Peru	Sol	Certificate	·06149	
Philippines	Peso		·4969	tax 17% (2)
Portugal	Escudo		·03468	
El Salvador	Colon		·3975	
Singapore & Malaya	Straits dollar		·3262	
South Africa (Union of)	Pound		2·7956	
Spain & Dependencies	Peseta	Basic buying	·04538	
		Basic selling	·08857	
		Basic commercial selling	·06050	(1)
		Free	·02522	
Sweden	Krona		·1921	
Switzerland	Franc		·2319	
Syria	Pound	Free	·2746	*May 15
Thailand	Baht	Official	·07950	(1)
		Free	·05652	*April 30
Turkey	Lira		·3549	
United Kingdom	Pound		2·795625	
United States	Dollar		·99375	
Uruguay	Peso	Official	·6542	
		Basic buying	·5583	
		Special buying	·4229	(1)
		Basic selling	·5230	
		Special selling	·4056	
Venezuela	Bolivar		·2966	(10)
Yugoslavia	Dinar		·00331	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic rate plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952

interpreting the New World to the Old World

. . . that's part of the Canadian Trade Commissioner's job. Here, for instance, a Trade Commissioner is conducting the President of Italy around Canada's exhibit at the Milan Trade Fair.

But that's only one side of the Trade Commissioner's job. In the June 27 issue of FOREIGN TRADE you will see another side . . . interpreting the Old World to businessmen in the New.

Twelve offices of the Trade Commissioner Service will report on business conditions in Western Europe. For a comprehensive account of business in Europe as seen through the eyes of Canada's trade representatives, read the June 27 issue of FOREIGN TRADE.

foreign trade

JUNE 27, 1953

business conditions in

EUROPE

SWITZERLAND
IRELAND
GREECE
GERMANY
AUSTRIA

BELGIUM
PORTUGAL
ITALY
FRANCE
SPAIN

NETHERLANDS
DENMARK
SWEDEN
FINLAND
NORWAY

Europe . . . Progress and Problems

Canada's trading relations with Europe, that Old World from which the first merchant-adventurers came, are certainly older and probably closer than with any other continent. Over four centuries these ties have remained strong; in 1952, three European countries ranked second, third and fifth as markets for our exports. And the recent Canadian International Trade Fair illustrated the important and wide-ranging exchange of products between Canada and Western Europe.

How is Europe faring in its postwar drive towards recovery? . . . this question has deep significance for thousands of Canadian businessmen. The reports on business conditions in 15 countries of Western Europe, grouped together in this quarterly issue, help to answer that query. We have prefaced them with a brief article on the OEEC and its child, the European Payments Union, because an understanding of their functions gives greater meaning to the reports that follow.

The picture painted in these pages has its lights and its shadows. Financial recovery in the Netherlands . . . Western Germany's dramatic trade comeback . . . the brighter outlook in Spain—these are highlights. And there are the darker tones—the budget deficits and high export costs in France . . . the fall in export earnings in three Scandinavian countries . . . the trade deficits in Italy . . . the continuing scarcity of dollars that shuts out many Canadian products from European markets.

Yet to read through these reports is to emerge with a new appreciation of Western Europe, its postwar achievements and its persisting problems. And it is in such understanding that all sound and sustained trade must be rooted.

—The Editor

foreign trade

VOL. 13 OTTAWA, JUNE 27, 1953 NO. 339

OVER . . . This issue, fourth
our quarterly series, feat-
es reports on the 15 count-
es of Western Europe, ex-
sive of the United Kingdom;
ings the reader up-to-date
the business and trade
cture there.

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. Howe, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

The OEEC

. . . what it is and what it does.

THE ORGANIZATION FOR EUROPEAN ECONOMIC CO-OPERATION, with headquarters in Paris, was set up in 1948 by the principal countries of Western Europe as a central agency to co-ordinate efforts towards postwar recovery, and has since become a major factor in the European economic scene. Under the terms of the Convention for European Economic Co-operation, the 17 member countries* undertook "to work in close co-operation in their economic relations with one another." Specifically, the OEEC objectives are:

- To promote increased output, stable currencies and the effective use of manpower in each of its member countries.
- To develop joint programs for the expansion of trade and for multilateral payments within Europe.

The underlying purpose of OEEC is to enable European countries to become more independent of outside help and to create conditions for freer trade between Europe and the rest of the world. The work of the OEEC was thus envisaged as an important transitional step in the progress of European countries towards multilateral trade and payments with the outside world. Most of the member countries are also signatories of the General Agreement on Tariffs and Trade.

Formulating Policy

Although OEEC membership is limited exclusively to European countries and their overseas territories, Canada and the United States are associated with the Organization and are represented at many of its meetings.

The Organization's policies are formulated by a Council of Ministers from each member country, assisted by an Executive Committee and a permanent Secretariat. In addition, the OEEC has set up a number of technical committees responsible for the continuing study of specific problems in European production, trade and payments. There are, first of all, the more general committees which OEEC has established to co-ordinate and promote joint action on European trade, payments, manpower allocation, etc., and to study problems common to all member countries. Next there are the more specialized committees on coal, iron and steel, timber, pulp and paper, machinery, tourism, and various other sectors of industry. These examples give some indication of the scope of the OEEC committees and the wide range of the Organization's activities.

The most notable developments in the field of European trade and payments under the OEEC have been the liberalization program and the setting-up of the European Payments Union.

---

* Iceland, the Irish Republic, the United Kingdom, Austria, Belgium-Luxembourg, Denmark, France, Germany, Greece, Italy, Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey.

Since 1949, OEEC member countries have undertaken to eliminate gradually quantitative restrictions between one another. Although progress in this direction has been uneven and has suffered certain setbacks, liberalization measures under the OEEC have removed many of the non-tariff barriers to trade among European countries. It should be noted that removal of restrictions under this program applies only to intra-European trade and does not directly affect the restrictions which many OEEC countries maintain against dollar goods.

Closely related to the trade liberalization program is the system for multilateral payments within Europe set up through the European Payments Union. The European Payments Union was established in 1950 for the purpose of making European currencies convertible amongst themselves and thus eliminating the need for a strict bilateral balancing of accounts between individual countries in Europe.

How EPU Functions

The technical mechanism of the Union is somewhat complex and only a brief explanation of its workings need be given here. It functions like a central clearing house for intra-European transactions. Each member country's trade and payments with all other EPU countries are conducted on a multilateral basis and each then settles its balances with the Union as a whole and not, as before, with the individual trading partner.

In effecting these settlements, each EPU member is assigned a quota based on past trade. Any deficit with the Union up to a given percentage of the quota is settled by a credit accorded by the Union. Whenever this deficit increases, the debtor country is required to make settlement, in increasing proportions, in gold or U.S. dollars. Deficits above the quota must be paid fully in gold or U.S. dollars. Conversely, if a country becomes a creditor with the rest of the EPU area, its surplus will be settled partly in gold or U.S. dollars received from the Union. As its surplus position increases, however, the creditor country must extend credit to the Union in increasing proportions.

This gold-credit mechanism is intended to act as a system of incentives and penalties, inducing each country to take corrective measures in order to maintain approximate balance with the EPU area as a whole. At the same time, it allows for normal fluctuations in intra-European trade.

In practice, operations under EPU have met with difficulties from time to time, as one or another country found itself in an extreme surplus or deficit position with the Union as a whole. Thus, in late 1951 and during 1952, both the United Kingdom* and France, (formerly outstanding creditor countries) found themselves in heavy deficit with EPU. To redress their balances in European trade, both these countries re-imposed restrictions on EPU imports. Since that time the United Kingdom has again relaxed these restrictions.

Other difficulties have arisen from time to time and the following articles deal in greater detail with the specific European trade problems faced by many of the members of EPU.

—Maurice Schwarzmann
International Trade Relations Branch

* Payments of all overseas sterling area countries with Europe are cleared through the U.K.'s EPU position.

74386—2

Canada's Trade with Europe

CANADIAN TRADE WITH EUROPE has increased steadily in recent years. Our exports to Europe have not only grown in value but they now account for a larger share of our total exports than before the war. This increase has been achieved in spite of dollar import restrictions which most European countries have put into effect because of their balance of payments difficulties. Belgium, Luxembourg and Switzerland are the only relatively free European markets for dollar goods.

Canadian exports to Europe are usually larger than imports from that area. In 1952, they totalled $476 million; imports from Europe totalled only $151 million.

Canada's Trade with Europe

(D.B.S. statistics—in million dollars)

	Exports to Europe	% of total exports	Imports from Europe	% of total imports
1938	73·2	9·3	39·9	5·9
1947	347·8	12·5	57·6	2·2
1949	228·0	7·6	84·4	3·1
1952	475 8	10·9	151·2	3·8

Composition of Trade

Canadian exports to Europe have traditionally consisted largely of foodstuffs and primary materials. The most important Canadian export to Europe is wheat ($192 million in 1952). Other large exports are coarse grains and other agricultural products, fish, base metals, asbestos, lumber, wood pulp and similar raw materials.

Canadian sales to Europe of fully manufactured goods have also greatly increased—from about 4 per cent of the total before the war to over 15 per cent in 1952. The most important goods in this category are whisky, powdered and condensed milk, newsprint, farm implements, tractors, machinery, automobiles, synthetic rubber, plastics and medicinals.

Canadian imports from Europe are headed by industrial machinery and equipment and agricultural products and include a great variety of manufactured consumer goods.

Canada's most important European trading partners are the industrial nations of Western Europe; trade with the agricultural Eastern European countries has always been small. Canada's principal European trading partners in 1952 are shown in the following table:

Leading Countries in Canada's Trade with Europe

(D.B.S. statistics—in million dollars)

Canadian Exports to:	1951	1952	Canadian Imports from:	1951	1952
Belgium-Luxembourg	94	104	Belgium-Luxembourg	39	33
West Germany	37	95	West Germany	31	23
Italy	49	53	France	24	19
France	47	48	Switzerland	16	16
Netherlands	26	42	Netherlands	14	16
Norway	32	39	Italy	14	12

Many long-term development projects have taken shape in Europe since the war, either with Marshall Aid or independently. Here, for example, is the Limberg dam under construction at the Tauern power station in Austria.

In addition to being our most important European trading partner, Belgium-Luxembourg was last year the third largest market in the world for Canadian exports and the fifth most important supplier of imports into Canada. Western Germany came fifth and tenth respectively.

Canada has in force trade agreements providing for the exchange of most-favoured-nation customs treatment with most European countries. The General Agreement on Tariffs and Trade is the most important of these.

The following European countries are signatories of the GATT: Austria, Belgium, Czechoslovakia, Denmark, Finland, France, Western Germany, Greece, Italy, Luxembourg, the Netherlands, Norway and Sweden. Under this agreement, Canada exchanges most-favoured-nation treatment with these countries in all matters relating to customs duties, import charges and other related customs formalities. Canada has negotiated reciprocal tariff concessions with all these countries under the GATT.

Canada also exchanges most-favoured-nation tariff treatment with Portugal, Spain, Switzerland, Poland and Yugoslavia under separate trade agreements.

Canada's treaty relations with Albania, Bulgaria, Eastern Germany, Hungary, Romania and Soviet Russia are not regulated by trade agreements and imports from these countries come under the Canadian general tariff.

—F. P. WEISER

International Trade Relations Branch

Austria

- *Development projects planned to give employment.*
- *New rate of exchange fixed for trade transactions.*
- *Continuing division of the country hampers progress.*

BERNE—It is rather difficult to summarize briefly developments in Austria during the last twelve months because the last quarter of 1952 witnessed an economic crisis which precipitated a political one.

Since the last World War, inflation has plagued Austria's economy. The sharp rise in the cost of living which followed the outbreak of war in Korea was checked at the beginning of 1952 and during the year prices and wages remained practically unchanged. The Government's firm policy of stabilizing the economy by credit restrictions and other means was successful and things seemed to be going rather well as the spectre of inflation receded. Then unemployment began to be serious.

The Unemployment Problem

One of the principal tasks of the new coalition government constituted on April 1, 1953, is to create opportunities for work. A powerful impetus is to be given to activity in the investment field—with a view to expanding production—under new methods of financing aimed at preventing inflation. The Government plans to issue in the near future a loan for the development of the country's waterpower resources. In the private sector also, it is hoped that it will be possible to provide more employment by intensifying investment. The Government will try to reduce taxes within the possibilities of the national budget, in the interest of wage-earners. The construction of houses is to be pushed and social security measures increased.

The Budget

The budget for 1952, which had been provisionally drawn up to cover the period January-May 1953 under a system of monthly quotas, has been extended to the end of the current year. The present Government considers that this will guard against any inflationary tendencies in public finance.

The ordinary budget for 1952 closed with total expenditures of 20,454 million schillings and receipts of 20,479 million schillings, leaving a surplus of 25 million. Whereas the ordinary and extraordinary budget estimates together had provided for a total deficit of 534 million schillings, the fiscal year closed with a real deficit of 509 million. This deficit was covered by the issue of short-term treasury bonds.

A new rate of exchange for trade transactions was fixed on May 4, 1953, by the National Bank of Austria, unifying the two rates previously established. This measure to stimulate exports had been contemplated for

several months. The former artificially held rate of 21·36 schillings to the U.S. dollar, which applied to the export-import trade, was raised to 26 schillings. The latter "premium" rate had been in effect for transfers of capital and for exchange brought in by foreign tourists.

Because it proved difficult to sell Austrian goods abroad at the 21·36 exchange rate (previously applicable to exports because of their high price), the Government turned to a system whereby a number of export industries were authorized to dispose of a part of their foreign exchange earnings to importers in a position to pay a higher rate. These objectionable "coupled" transactions will now disappear. At the same time, the practice of compensation and barter deals, undertaken in an effort to overcome exchange difficulties, should gradually die away.

The general public feared that a wave of price increases would follow the devaluation. But the authorities held that the measure was well-timed because commodity prices have been falling on international markets. They believe that the effect on Austria's overall balance of payments will be beneficial, although imported raw materials and essential products will become more expensive. The improvement in Austria's agricultural production and the higher output of hydro-electrical energy are reducing the country's dependence on imported foodstuffs and fuels, and thus reducing the demands on foreign exchange.

Foreign Trade

Austria's total imports during 1952 were valued at 13,956 million schillings, only slightly below 1951 imports at 14,027 million.

Exports rose by 12 per cent in 1952 to 10,803 million schillings. This increase was made possible by a reduction in Austrian export prices from the peak in April to the end of December (during this period the export price index fell by 20 per cent) and by the favourable trend in international market conditions. Austrian exporters were assisted in reducing their prices because restrictions on imports and foreign exchange made it possible for them to maintain their sales in the domestic market. A peak of 1,020·3 million schillings for exports was reached in November 1952, but the figure of one billion schillings, considered as the target to meet the needs of the national economy, fell to 817 million in January 1953, and to 812 million in February.

The increase in exports and the decline in imports resulted in the unfavourable balance of trade of 487 million schillings for the first quarter of 1952 turning into a favourable balance of nine million for the last quarter of the year. Austria's deficit with EPU was changed into a surplus of one million dollars in August, and in November this surplus increased to nearly ten million.

Austria's principal export markets in 1952 were Western Germany, Italy, Great Britain and France; the leading foreign suppliers were Western Germany, the United States, Great Britain and Italy, in that order.

The devaluation of the schilling effected at the beginning of May 1953 has brought Austria's currency closer to its real value on the exchange markets and is expected not only to check the fall in Austrian exports but to increase them substantially.

Austria's trade with Eastern Europe continued to be small. Her exports to the five Danubian countries—Bulgaria, Czechoslovakia, Hungary, Romania and Yugoslavia—have decreased from over 28 per cent of total exports in 1937 to less than 10 per cent at the present time. Austria's imports from these countries have fallen from 35 per cent of total imports to about 7 per cent. To compensate for these losses, Austria must extend her trade with Western Europe and with the rest of the world.

Trade with Canada

The recent devaluation of the schilling has injected a new factor into the development of trade between Canada and Austria. Canada's exports to this country rose from $2,166,000 in 1951 to $5,216,000 in 1952. The increase was mainly due to last year's exceptional imports of Canadian cereals, which totalled $3,293,000. After the last war, offshore purchases in Canada under the Marshall Plan (which included asbestos, ferro-alloys, copper bars and rods, hides and skins, sole and upper leather, and chemicals) helped to boost exports to Austria. With the gradual reduction of ERP funds, Canadian exports of some of these commodities have decreased or stopped. The general effect of Austria's lack of dollars has been to limit imports from Canada to raw materials or other essential products.

Canada's imports from Austria decreased from $3,191,000 in 1951 to $2,917,000 in 1952, almost entirely because of lower Austrian shipments of synthetic staple fibres. Excluding these fibres, Canada's imports from Austria last year amounted to $1,735,000, including, apart from jute fabrics and ball bearings, such things as lace, clothing, jewellery, smokers' requisites and fancy goods of leather or other material. The devaluation of the schilling will assist sales of other products on the Canadian market.

Future Prospects

Austria's economy is going through a process of readjustment after the long period of deflation which ended at the beginning of last year. The new coalition government formed at the beginning of April 1953 has adopted a policy of creating a climate favourable to the investment of foreign capital, essential to develop Austria's waterpower, increase industrial output and assure employment. The devaluation of the Austrian currency has stimulated exports and an attempt is being made to free foreign trade by the easing or removal of the foreign exchange and other restrictions which have been in effect since the last war.

The economy is handicapped by the fact that Austria, eight years after the end of the war, is still divided into four military zones, which, with the exception of the American zone, saddle the country with the costs of the occupation. In particular, it should be remembered that the zone occupied by the USSR contains about one-third of Austria's 6·9 million inhabitants. In 1946 the Soviet occupying authorities seized about 220 industrial enterprises, a number of agricultural properties and all Austria's valuable oilfields, which they have since operated on the basis of extra-territoriality. Most of the production under Soviet control is exported to the USSR. There is thus sound reason for Austria's hopes for the earliest possible return of its complete freedom.

—Yves Lamontagne
Commercial Counsellor for Canada

Belgium

- *Export prices for steel have fallen sharply.*
- *Some dollar import restrictions now removed.*
- *High production costs causing some anxiety.*

BRUSSELS—For the Belgian economy, 1953 has not lived up to the promises held out at the end of the previous year and the present situation has given rise to some apprehension about the future.

First of all, general economic activity and particularly industrial production slowed up in 1952. This contraction was already apparent in the latter part of 1951. Second, the fall in prices of raw materials on world markets following the post-Korean boom had an unfavourable influence on the economy. Third, retail prices have not readjusted themselves to this downward trend, and this has led to the maintenance, not to say the increase, of salaries and social services for state and industry.

All this in the face of increasing competition, especially from neighbouring countries such as Holland and Germany with their lower production costs, has had repercussions, particularly in the latter part of 1952 and in early 1953.

In brief, prices and industrial production have declined, unemployment has increased, and the trade balance has become less favourable.

Industrial Production

In the important industries such as coal and steel, increased stocks have accumulated, with more than two million tons of reserves compared with 446 thousand at the end of the winter season 1951-52. So far, the coming into effect of the price schedules established by the European Steel and Coal Community (Schuman Plan) does not seem to have benefited the coal industry.

The Belgian iron industry exports about 60 per cent of its production; the remainder is for home consumption. Supplies for the home market are readily covered by the Belgian and Luxembourg iron and steel works and imports consist of special quality products such as sheet iron, special steels, etc. In 1952, Belgium and Luxembourg exported 4·5 million tons of iron and steel products, of which Belgium's share was 60 per cent. Output was reduced in the latter part of the year, however, in the face of declining international demand.

Average monthly production in the early part of 1953—approximately 400 thousand tons—represented a decrease of some 10 per cent compared with the early part of 1953. An agreement, however, between the Belgian, French, Luxembourg and German steel industries on prices for exports outside of the Schuman Plan has had a good effect on the industry.

Iron and steel output in Belgium is of particular importance to Canada because iron and steel products are the main import from Belgium. Most of the more important steel works have formed companies to centralize their sales. These separate selling organizations generally group

74386—3½

together companies which are financed by the same bank. This system has proved effective, especially for exports, and has promoted specialization. Ucometal and Siderur, for instance, are names that are now familiar to Canadian iron and steel importers who are in touch with these companies' representatives in Canada.

The metallurgical industry has also slowed up production; so have such industries as building and construction as a result of a decrease in public works in Belgium during the latter part of 1952. This is particularly noticeable in the Government's programs, which have only been partially carried out.

Luxembourg and Its Steel Industry

Belgium and Luxembourg are partners in an economic union. Luxembourg also shares with Belgium a common interest in the success of the Schuman Plan. The economic importance of Luxembourg, because of its vast steel enterprises, is greater than its small size would indicate.

Some 21 thousand of the 38 thousand industrial workers in Luxembourg are employed in its steel industry. This industry is largely concentrated in the hands of three companies, of which the largest is the "Aciéries Réunies de Burbach-Eich-Dudelange" (ARBED), which has five factories with 17 blast furnaces, 15 Thomas converters and various electric furnaces and rolling mills. Arbed's share of Luxembourg's rough steel production is some 65 per cent. This company has been supplying Canada with some of its products.

Because export prices for steel have fallen sharply in the last six months and Luxembourg with its high wage scales is vulnerable to competition, the immediate outlook is somewhat uncertain.

External Trade

In external trade the trend is much the same as in general economic activity. In 1951, average monthly exports amounted to 10,976 million francs ($219 million); in early 1952 they were about 11,500 million francs ($230 million). Today (1953) they are about 9,500 million francs ($190 million), a reduction of some 20 per cent. The balance of trade has shown a constant deficit since the month of August. Export prices are said to have gone down some 11 per cent and import prices have gone down 6 per cent. The terms of trade have therefore become less favourable.

Imports of finished products, especially from Holland, have remained high, indicating stiff foreign competition with Belgian products on the home market, because of price differentials favouring imports.

Gold and Currency Reserves

The unfavourable trend has naturally affected gold and currency reserves. These amounted to some 38,661 million francs ($773 million) at the end of July 1952 but had diminished to some 35,181 million francs ($703 million) at the beginning of 1953. As a result, some thought is being given to bringing costs down and encouraging investment and increased production.

Belgium's trade since the war has been constantly increasing in both volume and value. From 1946 to 1951 total trade tripled in volume and multiplied four times in value. In 1952, however, despite the maintenance of the volume the value fell, mainly because of a drop in prices.

In terms of dollars, trade in 1952 totalled some $4·9 billion, compared with $5·2 billion in 1951. In comparison, Canada's total trade in 1952 amounted to $8·4 billion.

Belgium's Trade with Canada

Belgium is Canada's third best customer, buying in 1952 over $104 million worth of Canadian products (compared with $94 million the previous year) and Canada's fifth supplier, sending over $33 million worth of goods in 1952, compared with $39 million in 1951.

Notwithstanding a decrease of some $6 million in Canadian imports from Belgium, the constant postwar growth of our trade with Belgium continued during 1952, with a total of $137·5 million as compared with $123·5 million in 1951.

European Payments Union

Belgium was for a long time a creditor to European members of EPU. Since December 1952 she has shown a deficit in her accounts, amounting in March 1953 to over 800 million francs ($16 million).

In December the Belgian deficit amounted to 61 million Belgian francs, ($1·2 million). For the last six months of 1952 she had an accumulated total credit of 448 million francs (approx. $9 million). Since December, however, Belgium has shown deficits in its accounts, thus allowing it to reduce the credits formerly acquired. At the end of 1952, these accumulated EPU credits amounted to $248 million; by March 1953 they had been reduced to $237·1 million. This relative equilibrium achieved with EPU compares satisfactorily with the large credits accumulated earlier.

Benelux, which met with so much success in its preliminary stages during the years 1948 to 1951, has been considerably criticized, particularly towards the latter part of 1952 and in 1953, because of growing Dutch exports to Belgium, the result of lower costs of production and lower wage scales in Holland. Belgium's wage scales are the highest in Europe.

A Customs Union of the Benelux countries has been in force since 1948 and measures are now under consideration for an agreement to establish compensation for the industries affected by this competition so that a full economic union can be formed.

Schuman Plan

On February 10, 1953, the High Authority of the European Community of Coal and Steel instituted under the Schuman Plan opened a common market for coal and iron ore and scrap between the six member countries—Western Germany, France, Italy, Belgium, the Netherlands and Luxembourg. On May 1st all tariff barriers and quantity restrictions in the way of the free movement of steel within these six countries were also abolished. This may well be the first effective step towards a fuller realization of economic integration in Western Europe.

The monetary restrictions which were applied in the autumn of 1951 against the import of goods from the dollar area remained in effect throughout 1952. These restrictions had been protested by Canada and other countries as being inconsistent with Belgian obligations under the

GATT. Quotas, however, were established for a number of items, the import of which had not otherwise been permitted. These quotas were based upon imports during the first six months of 1951.

Effective February 1, 1953, Belgium removed many of these restrictions, bringing the controls on dollar imports more into line with those on goods from the non-dollar area and thus improving the position of the Canadian exporter on the Belgian market. There is, however, still a residue of import restrictions on dollar imports and licences must still be obtained for a number of goods coming from Canada.

The Dollar Gap

One of the fundamental remaining problems is the dollar gap. While trading with the east is still restricted and the turning towards the west has increased Belgium's dependence on dollar sources for necessities such as food, cotton, etc., that country finds it difficult to balance its trade with the dollar area. It has, of course, endeavoured to encourage its dollar exports, particularly to the United States.

During the first half of 1952 the deficit in U.S. dollars remained about the same as in 1951, i.e., 7,900 million francs, ($158 million). During the second half, this dollar deficit was reduced to 3,000 million francs ($60 million) because imports requiring dollars, such as cereals and cotton, were smaller, steel sales to the United States increased, and some offshore deliveries were made under the heading of military aid.

Part of the deficit was covered by external borrowing and part by converting surpluses with other countries. These surpluses, however, were reduced in 1952 to $206 million, compared with some $600 million the previous year. A small part was met out of proceeds of government grants.

Agriculture

Belgian agriculture is said to cover 68 per cent of the needs of the country, apart from supplying considerable products for export, such as sugar, pork, potatoes, chicken, eggs, etc., outside of horticultural products such as fruit and vegetables. Agricultural products comprise 3 per cent of the value of exports, and, in recent years, some 14 per cent of imports, as compared with 21 per cent in 1948. About 12 per cent of the population is actively engaged in agriculture.

During the course of the year agricultural products brought better prices but, on the other hand, production costs increased.

One of the principal imports is cereals; approximately 550 thousand tons of wheat were imported under the International Wheat Agreement. (Belgium's annual production is approximately the same.) The free market, on the other hand, supplied 300 thousand tons at a higher cost per ton. The major part of these cereal imports came from Canada, (422 thousand tons in 1952).

Other important agricultural products are flax and sugar beet, both of which were produced in greater quantities than during the previous year. Horse-breeding has diminished in importance.

A recent study of the balance of payments shows that in 1950 Belgium had an unfavourable balance of some three billion francs, ($60 million), mainly because of large stock purchases resulting from developments in Korea. In 1951 this turned to a credit balance of some 16 billion francs, ($320 million).

The year 1952 did not prove as profitable; the favourable balance dropped to 9·5 billion francs, ($190 million). Reserves are said to have increased by approximately five billion francs ($100 million), the difference between the two figures representing investments in the Congo and non-repatriated income.

In conclusion it may be said that Belgium has made progress, thanks primarily to favourable postwar conditions, but finds itself faced today with a new situation. To maintain the high level of prosperity achieved, she must find ways of increasing production by creating new industries and streamlining costs to meet growing world competition.

—T. J. MONTY
Commercial Secretary for Canada

Denmark

- *Great achievements marked the year 1952.*
- *Remarkable improvement in foreign exchange position.*
- *Prospects are that boom will continue throughout 1953.*

OSLO—In the economic history of Denmark the year 1952 will be remembered as a period of achievement. The most important feature of the year was the remarkable improvement in the foreign exchange position—the dollar credit balance held by the National Bank was doubled and at the end of the year amounted to 502 million kroner. Credit balances in the currencies of countries outside the dollar and EPU areas also increased and the balance in favour of EPU was reduced by nearly one-fifth. Marshall Aid received by Denmark dropped to only about 40 million kroner, compared with 421 million kroner in 1951.

The circumstances which made it possible to increase the dollar balance in spite of the reduced Marshall Aid were many. The most important were the rich harvest obtained for the third year in succession, thus reducing the necessity of importing feedingstuffs from the dollar area; considerably increased exports to the United States; a general improvement in Denmark's terms of trade; and an economic policy which checked the inflationary tendencies in the internal economy.

When the terms of EPU facilities were last revised in June 1952 to stipulate payment in gold or dollars for amounts drawn in excess of 10 per cent of the total quota, Denmark was permitted, as a special concession, to draw up to 20 per cent of her total EPU quota of 1,346 million kroner without making such payments. Now, because of the improved balance of payments, Denmark has voluntarily offered to forgo this privilege.

Other immediate results of this favourable development have been the complete derationing of all goods; the easing of price control, the abandonment of ceiling prices and subsidies on a number of consumer

This Danish craftsman is at work on handmade silver, for eventual export to dollar countries. A system of premiums, introduced in August, has helped to step up sales to the dollar area.

goods; the further liberalization of imports from EPU countries; the raising of the amount of foreign currency allotted to Danish tourists travelling abroad from 750 to 2,000 kroner per year, and the gradual relaxation of the strict fiscal and monetary policies of the postwar years. In fact, conditions in Denmark are now closer to normal than at any time since the beginning of the war.

Foreign Trade

The fall in prices of most imported commodities, coupled with the relatively stable export prices, meant a further improvement in Denmark's terms of trade. Imports during 1952 were valued at 6,644 million kroner, 349 million less than in 1951. This decrease should be looked at in relation to the fact that imports based on Marshall grants were reduced from 380 kroner in 1951 to 40 million kroner in 1952. Exports, which aggregated 5,864 million kroner, can be classified as follows: agricultural produce, 3,399 million kroner; industrial goods, 2,187 million; fish, 182 million, and other goods, 96 million. Compared with 1951, this was an increase of 121 million kroner for agricultural produce, a drop of 63 million kroner for industrial goods, and a rise of 11 and two million kroner respectively for exports of fish and other goods.

About 78 per cent of Danish imports were purchased in OEEC countries in 1952, and 80 per cent of exports were sold to that area. The United Kingdom retained first place as customer and supplier, taking 38·6 per cent of Danish exports and supplying 27·6 per cent of imports. Denmark's second most important trading connection is now Western Germany, which took 12·5 per cent of total exports and supplied 15·5 per cent of total imports.

Exports to the United States rose by 60 per cent in 1952—from 164 million kroner in 1951 to 279 million. It was of particular significance to the dollar problem that the balance of trade with the United States improved during the second half of 1952, when exports made good progress, stimulated by a system of premiums introduced in August on the export of goods to the dollar countries. Imports from the dollar area were reduced, partly because of increased buying possibilities in other countries, and partly because of lessening need for imports of feedingstuffs and grain from those areas. Denmark's exports to the American forces in Europe, which, though they mainly comprise foodstuffs, cannot be classified as purchases in accordance with the "off-shore" program more than doubled in 1952 to 73·8 million kroner as compared with 34·5 million in 1951.

Trade with Canada

Imports from Canada were almost doubled, totalling $9·9 million as compared with $5·6 million in 1951. The two most important items were grain and grain products and base metals, these alone representing $9·1 million of the total imports from Canada. Exports to Canada, on the other hand, declined from $3·7 million in 1951 to $2·2 million in 1952, with dairy products, eggs and honey, raw fertilizers and minerals showing the greatest declines.

During the first quarter of 1953 the value of Danish imports declined compared with the same period of 1952—1,775 million kroner as against 1,830 million. The value of exports, however, rose from 1,539 million kroner to 1,553 million, thus further improving Denmark's trade balance. This increase in the value of exports was entirely the result of larger agricultural production; exports of farm products alone rose from 873·6 million kroner in January-March 1952 to 976·4 million in the corresponding period of 1953.

Shipping and Fisheries

The expansion and modernization of the merchant fleet was continued in 1952, and tonnage showed a net increase of 80,000 gross registered tons, bringing the total to 1,368,000 tons on December 1, 1952. A further expansion of the fleet may be expected in the near future as by the end of the year, Danish shipowners had placed orders for the construction of 74 vessels to a total of 460 thousand gross registered tons. The prolonged and steep decline of tramp freight rates (which continued until the last few months of the year, when there was a slight improvement) resulted in the freight index for December 1952 being 46 per cent below that of December 1951. The earnings of the shipping trade were, however, not reduced in the same proportion as the freight rates. In the first place, many vessels had been chartered for some time ahead and were not immediately affected by the fall in rates and, in the second place, the decline was not nearly as marked in the tanker and liner trades. The merchant fleet therefore was able to contribute substantially to Denmark's foreign exchange earnings.

The total catch of the fisheries increased from 292·5 million kilograms in 1951 to 329·2 million in 1952. This was mainly the result of the constantly increasing catch of the so-called industrial fisheries, most of whose output consists of North Sea herring used to make herring oil and herring meal. This catch increased by some 17 million kilograms as compared

74386—4

with 1951. The amount of fish caught for human consumption also increased in 1952; most of it was exported fresh or frozen. The value of fish exports showed an increase from 171 million kroner in 1951 to 182 million in 1952.

Agriculture

The 1952 harvest was even larger than those of the three preceding years, and should prove the basis for an expanded animal production in 1953. Conditions varied considerably in the individual branches of animal production but taken as a whole it did not quite reach the 1951 volume. However, the higher prices meant that the production value was a little larger. A counting of pigs on December 27th revealed a total stock of 3,906,000 head, 3,000 less than at the previous census on November 8th, but 677 thousand head more than at the end of 1951. A simultaneous counting of cattle showed a total stock of 2,953,000 head, or 21 thousand more than at the same time in 1951. Total exports of agricultural produce were valued at 3,399 million kroner in 1952, as compared with 3,278 million in 1951. Generally speaking, 1952 was a favourable year for agriculture, and farmers were able to make substantial investments in mechanizing and improving their farms, which will also make for increased productivity.

Industry

The industrial production index (1949 equals 100) dropped from 113 in 1951 to 107 in 1952. The production of consumers' goods was rather low at the beginning of the year, principally because of the fiscal and credit-restrictive measures introduced towards the end of 1950 and the beginning of 1951 to reduce consumption. It showed some revival, however, towards the end of the year. The net result for the year was a decline of five points, from 109 to 104, in the production index for this type of goods. The manufacture of producers' goods, on the other hand, which was fairly well maintained during the first six months of 1952, declined in the second half of the year. This must to a large extent be ascribed to falling prices for raw materials which diminished investment and also the demand for producers' goods. As a result of this development, the total index for the year for producers' goods was six points lower than in 1951.

Prospects for 1953

Business conditions in Denmark generally are still very favourable. The halting of price rises, coupled with increased employment, has provided the purchasing power necessary to maintain a high level of activity. Agricultural incomes are rising, and it is expected that the net value of agricultural production will be still larger this year than in 1952, which should mean increased exports. In industry, the output of consumers' goods should improve and the industries directly or indirectly dependent on building construction are sure of a very good year. The foreign exchange situation is continually improving and liquidity on the money market is high. The boom in Denmark is therefore well supported by domestic economic factors and there is every prospect that it will continue for at least the rest of the year.

—J. L. Mutter
Commercial Secretary for Canada

Finland

- *Exports of forest products fell off in 1952.*
- *Unemployment has reached serious proportions.*
- *Imports from Canada declined by $434 thousand.*

STOCKHOLM—The temporary boom in prices in 1950 and 1951 for Finland's main export products in world markets has had a serious and adverse effect on the economy. The great rise in prices for timber and timber products, pulp, paper and cardboard during those years was accompanied by a sharp rise in wages and a heavy increase in imports. Symptoms of a return to normal began to appear during the last quarter of 1951 and continued throughout 1952. However, it was not until late in the year that the fall in industrial production began to slow down and prices to steady. Meanwhile, diminishing currency reserves forced a reduction in the flow of imports, the money market became extremely tight, and unemployment increased alarmingly. The number of registered unemployed, which stood at about 10 thousand in March 1952, increased to over 35 thousand by the end of the year, reached its peak at 65,600 in March 1953, and dropped to around 56 thousand in April.

Cellulose Industry Affected

Although overseas markets for sawn goods have steadied somewhat and operations have improved during the last quarter, the cellulose industry has been badly hit and export prices have reached a level at which, it is claimed, producers are unable to operate profitably. This industry worked at only 75-80 per cent capacity throughout 1952 and some plants have shut down altogether since the turn of the year. Domestic sales for the year were up by about 8 per cent as compared with 1951, but there was a substantial falling-off during the last quarter.

The Government's economic advisers have advanced several schemes to combat the recession, all aimed at lowering production costs in the all-important export industries. There has been some talk of currency devaluation, but this is firmly opposed by the Central Bank.

Industry

The total volume of industrial production dropped by 7 per cent as compared with the previous year, but it was still about 11 per cent above the 1948-1951 average. The export industries suffered the most; their output was down by 15 per cent. The production of sawn goods fell from 1,055,000 standards to 750 thousand, wood pulp from 1,386,000 tons to 1,156,000 tons, and plywood from 314 thousand tons to 233 thousand tons. Newsprint, on the other hand, achieved an increase of about 4 per cent—from 421 thousand tons to 439 thousand tons. Other papers declined from 266 thousand to 246 thousand tons.

The home market industries were fairly well maintained, with the average for the group only about 4 per cent below the previous year, largely because of the metal industries, which comprise about 40 per cent of the total. The foodstuffs and luxury and the textile and clothing industries also held up well. But leather and rubber, stone clay and glass, and the chemical branches all reported declines.

Agriculture

In spite of unfavourable weather conditions during the last half of 1952, crop production appeared to be up by 7 per cent over 1951, but the harvest suffered some damage. The latest estimate put the total crop at 3,614 million fodder units, compared with 3,383 million in 1951. Milk production is estimated to be about 8 per cent above 1951; butter production increased 7 per cent and cheese 16 per cent.

Finland is self-sufficient in meat, milk products and eggs and normally produces a small surplus for export, and is close to self-sufficiency in potatoes. She is deficient in bread grains and fertilizers and largely depends on imports for her sugar and vegetable oils.

Foreign Trade

The favourable trade balance of 31,000 million marks* achieved in 1951 became a deficit of 25,000 million marks in 1952 when imports rose by 26,000 million to 182,000 million, and exports fell by 30,000 million to 156,000 million marks.

The principal reason for this wide fluctuation was, of course, the collapse of overseas markets for forest products which normally account for some 90 per cent of Finland's exports. A secondary reason was the sharp rise in imports because licences were granted freely during the export boom which reached its peak in 1951.

Of total exports in 1952, 44·8 per cent consisted of timber and timber products, 23·2 per cent of pulp, 19·2 per cent of paper and cardboard, and 7 per cent of metal products. The chief customers were the United Kingdom which took 24 per cent of the total and the Soviet Union which took 17 per cent. Of the remainder, 9 per cent went to Western Germany, 7 per cent to France, and 6 per cent to the United States.

Imports increased in all categories, except certain raw materials, notably the textile and chemical groups. The United Kingdom was the principal supplier with 19 per cent, followed by Western Germany with 12 per cent, the Soviet Union, 12 per cent, France, 9 per cent and the United States, 6 per cent.

Trade with Canada

Trade with Canada amounted to less than 1 per cent of the total. Imports declined from $3,129,000 in 1951 to $2,694,282 and wheat constituted about half of this. In 1915 Finland bought no wheat from Canada but took $915 thousand worth of rye. Purchases of passenger cars declined only slightly from $445 thousand to $412 thousand, but trucks dropped from $626 thousand to $122 thousand, and tires and tubes from $457 thousand to $91 thousand. On the other hand, purchases of brass bars, rods and strips and metal manufactures n.o.p., rose from nothing to $116 thousand and $111 thousand respectively.

---

* One Finnish mark=0·43 cents Canadian.

Exports to Canada totalled only $233,701 of which $44,500 was settlers' effects. Granite and granite manufactures accounted for $63,697; the balance consisted of fur skins, cream separators, wooden doors and calf skins and kips. The two last items represented new business.

Taking into consideration Finland's present financial difficulties and the necessity to curb dollar imports, no increase in Canadian exports to this country can be expected. However, essential shipments of grain, autos and parts, various metals and certain classes of machinery should continue.

Finland wants to increase her dollar earnings in Canada; a start has been made with wooden doors and calf skins, and the market for ready-built houses is being investigated.

—F. W. Fraser
Commercial Counsellor for Canada

France

- *Chronic budget deficit remains a major problem.*
- *Exports to foreign countries up slightly in '53.*
- *Trade continues heavily in Canada's favour.*

PARIS—Although during the past twelve months the threatened deterioration of the price structure and weakening of the franc was brought under control, neither the chronic budgetary unbalance nor the steadily mounting deficit in the external balance of payments has been solved. French export trade was badly hit by the severe import restrictions imposed in November 1951 and March 1952 by the United Kingdom, but exports to other areas have also fallen off. Nor have the French import restrictions imposed in February 1952 served to arrest materially the flow of imports. The adverse balance in the trading account thus deteriorated considerably during the past year.

Production Slows Up

The general and steady advance in industrial production that characterized the postwar years appears to be definitely checked. Starting in the slack summer period of 1951, the production index (1938=100; 1945=45) moved steadily upward till February 1952, when the peak was reached and held till April. Following the seasonal slackening last summer, the index recovered to the 1951 level until November, when an unseasonal but slight fall became noticeable. This trend has been reflected in a nagging and persistent monthly increase in unemployment. Registered unemployed, however, now number only about 72 thousand out of a total estimated working force of about 20 million.

The most noteworthy achievement during the last twelve months was the establishment of the Schuman Plan. On February 10, 1953, all barriers to the free trade in coal, iron ore and scrap were removed by the participating countries (France, Belgium, Luxembourg, Netherlands, Italy and Western Germany). The establishment of a common market for steel followed on May first.

Budget Unbalanced

Perhaps the most persistently difficult problem—and one which has defied all efforts at solution—is the unbalanced French budget. It now stands with an uncovered deficit of about 804 billion francs (out of a total expenditure of 3,883 billion, *excluding* the 80 billion of blocked credits but *including* aid from the U.S. of 173 billion). Although this is not much greater than last year's deficit, the economy can hardly stand inflationary measures on this scale again, if such a deficit were to be covered by government borrowing.

The Government has declared its intention to adopt measures to re-establish budgetary equilibrium in the long term but it faces a formidable task. It is pledged not to increase taxes and revenue cannot be expected to increase unless production and exports are considerably expanded. The war in Indo-China is an increasing drain on French resources and there is no end in sight. The problem is under study and the Government has submitted plans for economies and additional revenues, designed to reduce the deficit to some 700 billion francs, to the Ministerial Council.

French Trade Problems

Throughout 1952 French foreign trade continued to show monthly deficits between total imports and exports to foreign countries. Although these deficits were partially offset by credit balances with French overseas territories, the adverse balance of payments between France and most monetary zones was such that it was almost equally difficult to find funds to pay for imports from the dollar zone, the sterling area or the EPU area.

The monthly average of imports from the dollar zone during 1952 was 21·8 billion francs ($62·3 million) compared with 21·4 billion in 1951. However, exports only averaged 6·4 billion francs ($18·3 million) compared with 9·1 billion francs in 1951. Similarly, trade with the sterling area was unsatisfactory. Imports were 31 billion francs ($88·5 million) monthly average (34·2 in 1951); exports were only 12·7 billion francs ($36·3 million), compared with 17·8 billion in 1951. Although the trade with countries other than those included in the three zones was almost in balance, France ran deficit balances with EPU in every month of 1952 except April, May and June. By the end of the year France had exhausted its credit with the Union and had to meet all deficits in gold or dollars.

The turn of the year has witnessed no improvement and deficits ran at the monthly rate of 10·9, 31·3, 19·4 and 51·6 million units of account (dollars) from January to April. In April came new import restrictions that were calculated to reduce imports from the EPU area at the rate of $14 million a month over the next six months. However, the effects of these restrictions or of the recent liberalization moves by the United Kingdom have not yet been felt. (See *Foreign Trade* of May 2, 1953.)

—French Information Service

The harvest of grapes is in full swing, as French workers bring them in from the vineyard. Last year Canadian imports from France included nearly $2·3 million worth of wines, sparkling wines and liqueurs.

France's total trade, including trade with French overseas territories, is still very considerably above 1950, but in that year imports and exports were in balance. In 1952 total imports were valued at 1,592 billion francs as compared with exports valued at 1,416 billion francs, or a deficit of 176 billion francs ($503 million). This broke down into an adverse balance of 417 billion with foreign countries and a favourable balance with the French overseas territories of 241 billion. In 1951 total exports were valued at 1,478 billion francs and total imports at 1,607 billion.

The decline in exports during 1952 was particularly alarming because, throughout the year, the terms of trade steadily improved in France's favour. However, the British import restrictions hit France hard and the recent moves to free certain British imports and tourist funds should bring some relief to the French balance of payments.

Decline in Exports

After a disappointing start in January, exports to foreign countries are beginning to improve. The monthly average for the first quarter was 72 billion francs, compared with 73 billion for the last quarter of 1952 and 68 billion for the first quarter. The April figures show a further slight rise to 79·7 billion. Against this, exports to the overseas territories have been below last year's averages, with the result that total exports have not yet reached the 1952 level. This slight improvement in exports to foreign countries is matched by a considerable drop in imports during the first quarter compared with the same period last year. Total monthly imports averaged 130 billion against 159 billion for the first quarter of 1952 and the drop occurred in imports from foreign countries.

The index of industrial production stood at 145 at the end of 1952. Since then it has held more or less steady at that level with a tendency to weaken (143 at March 1953). (See *Foreign Trade* of April 4, 1953.)

The relative peace in the labour market also ended in April, when a strike closed down the important Renault factory in Paris and strikes of officers and seamen forced the laying-up of the principal units of the French merchant fleet.

Canadian Trade

Canadian trade with France is severely handicapped on the one hand by the lack of dollars and on the other by the formidable difficulties facing French exports to Canada. In addition to the traditional luxury goods, French industry has much to offer to the Canadian market in the machinery and heavy industry trades. However, the difficulties of financing exports and servicing them after installation are considerable.

By value, Canadian trade with France is heavily in Canada's favour. However, most exports from Canada to France are raw materials essential to French industry or consumption. On the other hand, Canadian imports from France are spread over a wide field of manufactured articles, none of which reach any particularly large figure. In 1952 Canadian exports to France were valued at 27 billion francs (18 billion in 1951), or almost $77 million. This compares with exports to Canada of 6·7 billion francs (7·7 billion in 1951), or about $19 million. The heavy increase in imports in 1952 stemmed almost entirely from large wheat shipments and the delivery of two merchant ships; neither of these is likely to recur this year. The main Canadian products going to France are asbestos fibres, synthetic rubber, paper pulp, raw copper and pulpwood.

A Look Ahead

Although strenuous efforts will be made to reduce the budget deficit and to encourage exports, one cannot look for a short-term solution to the difficulties plaguing the French economy. The war in Indo-China and the defence burden accepted by France under NATO impose a heavy drain on an economy that, in spite of generous U.S. aid, is still struggling to recover from the destruction of the war. One cannot hope, therefore, for any immediate progress towards a freer import policy. Much will depend on the ability of French exports to reassert themselves. There are some encouraging signs and the freer British market will help. The balance of payments position, although precarious, should improve as the various measures to encourage exports and reduce imports begin to take effect.

The agricultural picture on the whole is more reassuring than last year; there should be no need to import substantial quantities of grain from the dollar areas if an average crop is harvested this year. The reduction in the extent of foot and mouth disease should mean that smaller imports of meat and dairy products will be needed and the heavy losses to the economy will be lessened. In two years, it is estimated, foot and mouth disease has cost France about 100 billion francs ($286 million).

—R. G. C. Smith
Commercial Counsellor for Canada

Germany

- *External trade has quadrupled in four years.*
- *American economic aid will end on June 30.*
- *Repayment of German external debts has begun.*

BONN—It is difficult at this time to judge the business outlook in West Germany for the remainder of the year with real assurance.

The country's economic recovery between June 20, 1948—the date of the currency reform—and the end of 1952 has been so spectacular that one could easily be over-optimistic and under-estimate the immense problems which Germany still faces and the extent to which its economy depends upon those of other countries and upon both internal and external political events.

A Year of Adjustment

On the other hand, many important internal business indicators turned slightly downward during the first quarter of 1953 as compared with the last quarter of 1952, when most of them reached their postwar peaks. This led to some reservations about the outlook in certain business circles and even to concern in a few, including the important iron and steel, engineering and machinery industries.

Undue concern would, however, overlook the fact that, while many indexes have declined from their late 1952 peaks, almost all of them are still well above the first three months of 1952.

On the whole, therefore, 1953 seems to be a year of consolidation and adjustment. The rate of business activity will probably level off and may even decline in a few sectors (where exceptional internal pent-up demand has slackened or where temporary advantages such as ability to offer early delivery dates have ended) but there will be no serious recession and no overall slackening of activity.

External economic relationships will, of course, have great influence because West Germany depends heavily on foreign trade. That is even more true of the present Federal Republic than it was of prewar Germany because the Republic has been deprived of the Soviet-occupied East Zone and the "separated areas", and has to support an influx of roughly 10 million expelled persons and refugees. The latter are increasing by hundreds and often thousands a day.

The following figures reflect the great increase in the Republic's external trade since 1948.

1. Total Foreign Trade

(in million U.S.$)

	1948	1949	1950	1951	1952
Imports	1,314	2,236	2,703	3,503	3,852
Exports	592	1,123	1,980	3,473	4,035
Balance of Trade	— 722	—1,113	— 723	— 030	+ 183

74386—5

Canada's trade with Germany has greatly increased in the last three years, as the table below demonstrates:

(millions of Can.$)	1950	1951	1952
Exports to Germany	9	37	95
Imports from Germany	11	30	25
Balance in Canada's favour	— 2	+ 7	+70

(Source, D.B.S.)

Germany became (according to these Canadian figures) Canada's fifth largest export market in 1952, exceeded only by the United States, the United Kingdom, Belgium and Japan, in that order.

Relations with EPU

Germany's creditor position in EPU since the creation of the Union in July 1950 up to March 31, 1953, has been as follows:

(in millions of dollars)	July 1950 to Dec. 1951	Jan./Dec. 1952	March 31st 1953
Cumulative Accounting Position	+$43	+$378	+$441

At one time in 1951 Germany had a heavy deficit. Since then the rapid increase in her domestic production and in her exports to her EPU partners reversed her position. This led her—as of April last—to liberalize her imports from other OEEC countries to the extent of 90 per cent and made her a strong advocate of convertibility as between the EPU currencies and the dollar.

The German Federal Republic also has a favourable balance of payments with almost every other important trading country outside EPU except the North American dollar area, Colombia and Uruguay.

The Bank Deutscher Laender reports the following cumulative credits in its favour among the 17 "other offset account countries" on March 31, 1953 (in rounded millions of U.S. dollars): Argentina 4·4; Brazil 95·1; Bulgaria 1·9; Chile 1·3; Czechoslovakia 5·5; Ecuador 1·3; Egypt 11·4; Finland 31·0; Hungary 4·2; Iran 6·2; Japan 4·5; Paraguay 1·9; Poland 7·7; Spain 12·2; Yugoslavia 17.

The net creditor position with all 17 of these countries totalled, on March 31, 1953, $197 million. Added to the EPU surplus of $441 million on the same day, it shows that Germany is financing purchases by these two groups of countries to a total of $638 million. To one who saw Germany in early 1946, or indeed at any time before 1948, this seems a miracle.

These facts have a very direct influence on Canada's exports to Germany. The heavy debtor position of Sweden and Finland has, for example, affected seriously sales of Canadian pulp because Germany is forced to encourage imports of such products from these two countries.

Trading Problems

In certain cases Germany has reached the limit of her credit ability. In others—Brazil and Spain, for example—she has seriously exceeded it. This has meant great hardship for many German manufacturers and exporters. They have suffered appreciable losses through deferred or non-payments or discounted payments. There is a German export credits insurance agency but its coverage is said to be less comprehensive than that of other leading trading countries.

This has led the Federation of German Industries to propose that the Government direct German purchases to an increased degree to areas where it has an opportunity of selling, and away from countries such as the United States, Canada and Cuba. Apparently those advocating such a policy do so reluctantly. They realize that the inflated prices, and at times lower qualities or grades, in alternative supplying areas would adversely affect Germany's terms of trade and ultimately her own export competitiveness.

Trade with Soviet Bloc

This brings up the problem of the dollar gap. But before reviewing that difficult question it may be well to note briefly trade with the Soviet bloc, because the present position creates some restiveness over the restraints on trade with the East.

The importance and trend of Federal Germany's trade with the Eastern bloc may be seen at a glance from the following figures, covering exports to and imports from the Soviet bloc (including China but excluding the Soviet-occupied zone of Potsdam Germany). The figures are monthly averages in millions of dollars.

(Source: Commercial Attaché's Division of U.S. Hicog, Bonn)

	1949	1950	1951	1952	1953 Jan.	1953 Feb.
Exports to	3·5	7·2	5·7	4·4	5·7	6·0
Imports from	7·8	7·0	8·5	6·1	7·0	6·1

Despite the events from 1939 to date, and despite the restrictions imposed now on both sides, it is on the whole surprising that these overall figures are so small when one recalls that Germany was for decades before 1939 the dominant trading partner of most of the countries of the bloc, with the exception of China.

Trade with United States

The following figures show quickly the amount and trend of the German Republic's trade with the United States.

Monthly Averages
(in millions of dollars)

	1949	1950	1951	1952	1953 Jan.	1953 Feb.
Imports	68·6	35·9	53·9	49·7	41·4	35·6
Exports	3·9	8·6	19·7	20·8	21·3	20·8
Gap	64·7	27·3	34·2	28·9	20·1	14·8

There has been a fluctuating but steady trend, down for imports, up for exports, and down for the adverse balance.

Up to now the overall dollar deficit, not only with the United States itself but with other countries such as Canada, has been covered by American economic aid in the form of grants under GARIOA, ECA or MSA. These will definitely end on June 30, 1953, although relatively small amounts authorized before that date may remain in the hands of U.S. HICOG to be allocated subsequently.

As of May 1, 1953, the grand total of all this aid was $3,480,600,000. Of this huge sum only $16,900,000 was in the form of a loan, and only $218,600,000 in the form of "conditional aid" i.e., subject to Germany's

making an equivalent amount in Deutsche Marks available to other OEEC members. The remaining sum of over $3·2 billion constituted a gift from the American people.

It is expected that their place will be taken by:

- Dollar expenditures by and on behalf of American troops and civilians in Germany, which were about $250 million last year even though Germany is still paying the occupation costs.
- Increased exports to North America.
- Invisible earnings from shipping and the tourist trade.
- Offshore purchases—though as yet there is no estimate of how great these will be.
- The ending of certain unnatural imports, such as American coal.

Obligations Assumed

Against these measures must be set the heavy obligations which Germany has assumed under the Agreement on German External Debts signed in London on January 27, 1953, and her agreement to make restitution to Israel. These together total DM 16,486,980,000 as principal (of which DM 3,450,000,000 is due to Israel) and DM 1,429,172,000 as interest.

The annual rates of payments are shown in the tables below in which period A covers the years 1953 to 1957 and period B covers the years 1958 to liquidation.

(Million DM Rounded)

Annual Payments to:	Period A	Period B
Dollar area	DM 236	DM 379
EPU	DM 309	DM 359
Other countries	DM 222	DM 287
Total	DM 767	DM 1,025

The actual payment of these annual amounts is complicated but it should be noted that where they do not involve a transfer problem they will involve heavy domestic budget appropriations and unrequited exports which will undoubtedly incorporate at least some earlier dollar expenditures for materials.

The Outlook

The general feeling that 1952 marked in a real sense the end of the immediate post-World War II period in Europe seems to apply particularly to West Germany. The signing of the "Contractual Agreements" in Bonn on May 26, 1952, and the European Defence Community agreement in Paris shortly thereafter, symbolized the de facto end of the occupation period, although neither is as yet legally in effect. By the end of the year, the Federal Republic had set up its own diplomatic establishments in all important countries and had entered into practically independent trade relations with all of them. American economic aid is about to end. Repayment of external debts has begun. Although West Germany still must solve many difficult problems, it seems that she can face this transition year with considerable confidence, and that she has definitely resumed her place as one of the top industrial and trading nations and as one of Canada's principal trading partners.

—Bruce Macdonald
Commercial Counsellor for Canada.

Greece

- *Last year witnessed economic change for the better.*
- *Foreign trade prospects most promising since war.*
- *New import policy has removed majority of controls.*

ATHENS—Postwar economic reconstruction has proved more difficult in Greece than in any other European country. Not only did this country suffer great material losses and some destruction during World War II, but the civil war against the Communists from 1945 to 1948 wrought further destruction and hardship. The Greek Government has attacked inflation and serious international balance of payments problems and more than $2,000 million of economic aid has been supplied from abroad, largely by the United States. Despite this, the standard of living in Greece is still below prewar. Late 1952, however, witnessed the turning point. Inflation was checked, the budget almost balanced, and the Government undertook a series of sweeping new measures designed to enable the nation to free itself of dependence on foreign aid and yet lay the basis for more normal economic development.

Conditions Reviewed

For the first time since the end of the war, the rise in the cost of living has been checked. Inflation in Greece has been controlled by improving agricultural and industrial output and by a strong deflationary bank credit and monetary policy. The Government has attempted to pursue a selective credit policy, giving loans and low rates of interest to developments in the general national interest. Rates of interest on less essential undertakings, on the other hand, have become very high and this has acted as a deterrent to many commercial enterprises. Strenuous efforts to balance the national budget have proved largely successful, particularly since the change of government following the elections last November 16th.

Total imports for the calendar year 1952 amounted to $346·2 million, a decrease of $52 million over 1951. Exports during the same period increased by 17·9 per cent to $120 million. Rigid import controls and the high cost of working capital were the principal factors in bringing about this moderate improvement in the country's international trading accounts. The trading deficit of $226·4 million was covered principally by MSA aid and by earnings from shipping, private capital investment and emigrants' remittances.

Despite the lower rate of total imports, Canadian exports to Greece rose to $4·4 million, as compared with $2·7 million for the previous year. Some $2,383,000 worth of exports of No. 5 wheat, which will not recur in 1953, accounted for most of this rise. Imports from Greece for the same period amounted to only $197 thousand (about the same as in 1951) and consisted of tobacco, olives, dried fruit, sponges and wine. Throughout the year Greek export prices were generally out of line with international prices for similar goods, because an official rate of exchange was

maintained artificially high. This situation was corrected on April 9, 1953, by a devaluation changing the rate from 15,000 to 30,000 drachmae to the U.S. dollar and in proportion against all foreign currencies.

Trade Policies Revised

As already reported in *Foreign Trade* of May 2nd, the Greek Government has undertaken a new series of trade measures designed to replace the former rigid controls and to restore freedom and private initiative to most of Greece's import and export trade. Shortly after the drachma was drastically devalued, the Minister of Co-ordination announced a new import policy which removed almost all controls. Importers here can now automatically secure import licences for most commodities from European countries by merely opening a letter of credit with their commercial bank. Imports from the United States or Canada, but not other dollar countries, require an import licence but these are being approved freely by the Bank of Greece and the Ministry of Commerce. However, for specific items covered by the American aid program, the application must await the proper MSA procurement authorization. There is also a very small list of prohibited items and a half dozen staple items, including wheat and flour, which can only be bought from MSA or from EPU countries. Canadian exporters may obtain these lists from the Department of Trade and Commerce, Ottawa.

New Exchange Rate

The new rate of exchange for the drachma has already brought the price of Greek exports into line with international prices. Tobacco, which has long been uncompetitive with comparable Turkish types, is the principal export crop. Canada has only a limited demand for this type of tobacco, but importers can in future look more to Greece as a source of supply. More important, however, is the effect of the new rate of exchange on exports of tobacco to Greece's traditional European markets, principally Germany, Austria and Spain. Other goods of interest, such as dried fruits, olives, textiles and wines, should move into dollar markets in increasing quantities. The further cuts expected in MSA assistance to Greece will mean that the total level of imports here will in future depend more and more on the expansion of exports.

Current Economic Situation

The principal problem now facing the Greek Government is the possibility of renewed inflation. It is conceded that a 100 per cent devaluation will inevitably result in higher domestic prices and strong efforts are being made to cushion immediate price increases. MSA authorities have approved an allocation of $35 million of staples as a buffer stock to be sold by the Government as prices edge up. Merchants' pricing on goods which they have imported at the old rate of exchange is being strictly controlled. Despite this, prices of such things as gasoline, fuel oil, olive oil, electric power, flour, bread and coal have already increased sharply and further increases are expected. Practically every manufactured product in Greece has a large import content and unofficial estimates of the total increase in the comprehensive domestic drachma price level are now 30 to 35 per cent.

The immediate business outlook is promising. The new monetary and trade regulations have quickened business activity, particularly in the export industries. The agricultural prospects are better than in any post-war year, with late rains this spring likely to produce record crops, especially of cereals. Tourist trade should improve because of the devaluation and foreign investors are showing interest in the new regulations for the protection of foreign capital. The Minister of Economic Co-ordination is, at the time of writing, visiting the United States and Canada and preliminary reports on his conversations indicate that he is meeting with some success in having MSA economic assistance continued for at least the next fiscal year. One question still unsettled is whether he will be able to interest international lending institutions in a Greek reconstruction program aimed at developing the economic potential. Apart from this, Krupp steel interests have just completed an agreement for the mining and smelting of local iron ores containing chrome for shipments to Germany in pigs, at a probable annual rate exceeding ten million dollars from 1955 on.

A New Market Opens

Importers have been moving cautiously despite their new freedom. However, many years of strict import controls have meant shortages, particularly in the luxury and semi-luxury lines, and it is likely that the rate of imports will speed up as quotations from abroad are received and new trading connections are built up. Imports suddenly costing double in terms of local currency, combined with the continued shortage of working capital and bank credits, are the real reason for the present caution in the import trade. The Government has so far not authorized import on a credit or cash against documents basis, except for a very short list of industrial materials from EPU sources only. Agents of Canadian firms here are placing orders, in some cases for the first time in many years, and advertisements offering Canadian products are appearing in local newspapers. Importers are showing keen interest in whisky, powdered milk, electrical appliances, canned salmon, canned meats, kerosene and gasoline stoves and heaters, tool steel, etc. Under these altered circumstances, Canadian exporters and importers would be well advised to consider Greece as a potentially new market or as a new source of supply.

—H. W. Richardson
Commercial Secretary for Canada

Current output of steel in Western Europe was one-fourth greater in 1951 than in 1929, the Statistical Office of the United Nations reports. Altogether, twelve Western European countries turned out a total of 43·3 million metric tons of finished steel, excluding billets, blooms and slabs for sale. As in North America, the West European industry has to depend upon outside areas for several million tons of metal a year in the form of ores and scrap. However, Western Europe's imports of raw materials are normally more than offset by exports of intermediate and finished products.

Ireland

- *Low agricultural production remains a problem.*
- *Industrial output is falling; unemployment rising.*
- *External balance of payments improved during 1952.*

DUBLIN—The economy of the Republic of Ireland is fundamentally an agricultural one, although in recent years there has been a vigorous campaign to stimulate industrial development. Unfortunately the volume of agricultural production has changed little over many years. Only recently have there been signs of a growing awareness in the farming community of the necessity for more modern methods if agriculture is to make a major contribution to the increased national income so badly needed. The Government is also making special efforts to promote increased cultivation.

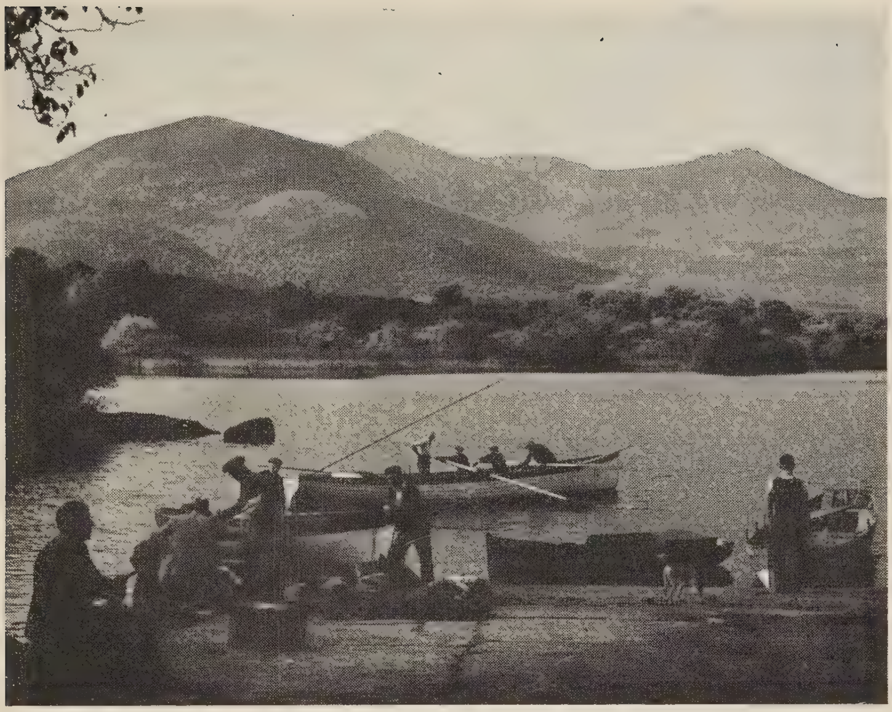
Certain trends in Irish economic life have continued during the past year. The migration movement, primarily from the "depressed areas" in the west, does not appear to be lessening. The Government is carrying out a planned movement of farm families from the overcrowded areas in the west to the eastern counties, where large estates are being broken up into small units. It is also attempting to solve the economic problem of the "depressed areas" by encouraging small local industries and setting up larger industrial plants. It is too soon to judge the effectiveness of these correlated programs, but the pull of the larger urban areas in the south and east is strong.

Problems Vigorously Attacked

The development of the electric power industry under the Electricity Supply Board continues. New hydro-electric plants are getting under way in Co. Cork, and there are several new power plants using the abundant supplies of "turf" or peat as fuel. Dieselization of the railways is in full swing and certain uneconomic lines have been abandoned. Just recently, concurrent legislation was passed in the Republic and Northern Ireland providing for the joint purchase and operation of the Great Northern Railway. Road transport is a problem yet to be solved.

Housing Problem Difficult

The housing situation remains difficult. Numbers of large houses and estates are in the market but find few buyers and then only at low prices. Many of the old estates in County Dublin are being broken up and replaced by rows of semi-detached houses and terraces. However, building costs are high and these housing developments are out of reach of the lower, middle and working classes. In Dublin itself there is a shortage of apartment blocks although some construction is now under way. Some of the large houses in the older residential districts are being



This fishing scene on the Killarney Lakes, Co. Kerry, typifies the green beauty of rural Ireland, which attracts so many tourists. However, depopulation of the rural areas is a serious and continuing problem.

converted. But here again, construction costs and rising municipal taxes combine to make the rentals high and construction activities generally appear to be slackening.

The year 1952 saw a continued decline in industrial production and thus a steady rise in the unemployment figures. At the same time, income has failed to keep pace with the rising cost of living. There are urgent demands for higher wages which employers are finding difficulty in meeting. Retailers report a slackening in the sale of consumer goods but so far no sharp down-turn is noticeable.

Economic Trends

The series of economic indices issued in April show a mixed trend. The monthly output of the Electricity Supply Board's generating stations has risen from 73·71 million kwh in June 1952 to 112·38 in March 1953. The number of fat cattle for sale at the Dublin market was slightly lower in January and February than in the same months of 1952, but the number of pigs bought increased by some 28 per cent. Beer, potable spirits and tobacco retained for home consumption declined considerably, although this is probably the effect of increased duties announced in the 1952-53 budget. The interim cost-of-living index remained at 123 for the first quarter of 1953, only one point above the third quarter of 1952, when the withdrawal of the food subsidies first had its effect. On the other hand, most of the indices of agricultural prices and the wholesale prices index are higher than last year, although the differences are relatively small.

The external balance of payments showed a marked improvement during the twelve months ended December 1952, with the debit balance dropping from £61·6 million to £9 million. This was accomplished by a sharp reduction in imports—from £204·6 million in 1951 to £172·2 million in 1952. At the same time, exports rose from £81·5 million in 1951 to £101·5 million in 1952. The increase in exports has continued into 1953 although imports again are rising. The Budget for 1953-54 was presented on May 6 and showed an approximate balance at £101 million, the highest level yet attained. There were no changes in the taxation level but increases in postal and telegraph rates were announced in April.

External Trade

Some 63 per cent of the external trade of the Republic is with Great Britain and Northern Ireland. During 1952 exports and imports with these two countries were in almost exact balance, comprising approximately 50 per cent of total imports and 86 per cent of total exports. The United States and Canada and other dollar countries were the next most important sources of supply (18 per cent) followed closely by non-sterling members of EPU. Imports from the other sterling members of the Commonwealth amounted to about 7 per cent of the total. Six per cent of exports went to non-sterling EPU countries and 3 per cent to dollar countries.

Stringent import controls during 1952 appear to have affected principally countries of the sterling Commonwealth, Europe and the United States. Imports from Canada increased moderately, as did those from Germany and the Netherlands. Almost the entire increase in exports was due to higher purchases by Great Britain and Northern Ireland.

Trade with Canada

Trade with Canada is governed by a policy which restricts to essentials the imports from dollar countries. In consequence, purchases from Canada are limited almost entirely to wheat, lumber, newsprint, paper board, aluminum bars, rods, etc., copper bars and rods, machinery and electrical goods, and chemical wood pulp. In 1952 imports from Canada totalled £10·7 million, as compared with £8·8 million in 1951. Exports to Canada declined in 1952 from the previous year but the trade has not become sufficiently well established to warrant any analysis by commodities. However, a special trade office has been opened in Montreal and a drive to develop the Canadian market for Irish goods is being inaugurated.

—T. G. Major
Commercial Counsellor for Canada

New development in Ireland is a modern grass drying plant recently opened in County Galway. Two years ago an Irish company acquired 2,000 acres of virgin bog. Now the bog is producing a good crop of high-grade grass; eventually sugar beets will be grown on the reclaimed land.

Italy

- *Business conditions improved moderately in 1952.*
- *Fall in textile exports increased trade deficit.*
- *Exporters seeking to expand their sales to Canada.*

ROME—The Italian economy as a whole showed a moderate improvement in 1952. Industrial activity, which had levelled off in late 1951 and remained unchanged well into 1952, quickened early in the third and fourth quarters. Agricultural harvests as a whole were better than in 1951, despite lower yields in certain categories. The balance of payments situation was aggravated by a trade deficit of $727 million, compared with $437 million in 1951—a deficit due in large measure to a decrease of almost 60 per cent in textile exports. The overall balance of payments position deteriorated, with a 1951 deficit of $124 million becoming $311 million in 1952. One brighter spot was the dollar situation arising out of trade with the dollar area and MSA funds. Although it is still critical, it has improved slightly.

The past few months have witnessed no substantial improvement in the over-population problem. Italy's chronic inability to support her population adequately remains a prime cause of economic insecurity, with its inevitable political effects.

Industrial and Agricultural Production

Italy's gross national income expanded encouragingly during the last months of 1952 and is now 10,105 billion lire, an increase of 5 per cent over 1951. Industry contributes some 3,652 billion lire of this, agriculture 2,559 billion, and services and other business activities the remainder. Because of her lack of essential raw materials, Italy must import enormous quantities to carry on extensive industrial activity and these imports are likely to increase, barring an international trade depression. Among the five principal manufacturing industries, the most encouraging development was in the mechanical industry which stepped up output by 10 per cent. It is also significant that the textile industry, in which production has been falling steadily since the beginning of 1951, increased output by 15 per cent. Metallurgy continued its previous high rate, food processing its gradual growth, and only chemicals production remained below that of a year ago.

Excluding manufacturing, construction continued to be a major and buoyant industry. The number of rooms completed was about 20 per cent greater than a year ago, and although authorizations to begin housing construction did not increase as much, they were almost 10 per cent above 1951. Public works construction achieved an even better record, with the number of man-days used running 30 per cent over 1951.

The wheat crop, Italy's most important, totalled eight million metric tons in 1952, the largest of any postwar year. In fact, it nearly equalled the all-time record of 1938, though the acreage was somewhat below

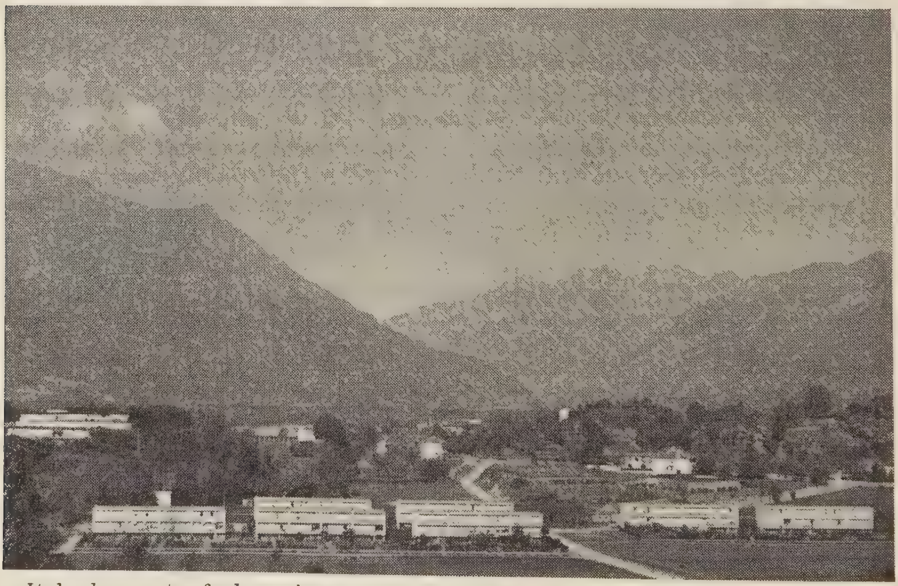
that of immediate prewar years. Among the tree crops, the production of apples and pears, which has been steadily increasing thanks to large postwar plantings, reached record heights. The olive oil crop, following a record year in 1951, was sharply lower; if this trend continues, prices of olive oil are expected to increase. Livestock prices began to drop as the drought and higher feed prices forced producers to reduce herds. The drop in prices was sufficiently severe in the face of feed costs to bring numerous complaints from the farmers and to send farm leaders to the Ministries of Foreign Trade and Agriculture with demands for greater protection against imports. This situation, coupled with an abundance of fresh pork, largely explains the unsuccessful attempts of Canadian exporters of canned pork to market part of their surplus production in Italy.

The number of farm tractors registered has increased by 7·4 per cent and now represents about 1·25 per cent of the world total. This last ratio is almost the same as that of the agricultural population and it is expected that the local demand for tractors and other farm machinery, such as rice and wheat combines, will grow in 1953.

MSA Assistance

The United States Government has made several purchases in Italy and it is expected that it will make even more in 1953. This might mean an increase in the import of special types of machinery required by Italian firms who have to cut their production costs to submit competitive bids for these purchases.

ECA and MSA assistance totalled US$217,900,000 in 1952 as compared with US$279,600,000 in 1951. Italy's efforts are directed towards increasing the role of "goods and services" and gradually eliminating the need for external aid.



Italy hopes to find an increased market for her products in Canada, to ease her dollar shortage. Office machinery made at this Olivetti factory at Ivrea, northern Italy, is already familiar in this country.

Italian imports increased by 6·7 per cent in 1952 as compared with 1951, and exports decreased during the same period by 16·1 per cent. The general impression is that the maximum gap between imports and exports has been attained and that, in the future, the huge trade deficits should be scaled down. Imports consist mainly of raw materials for industry and foodstuffs, and exports consist mainly of agricultural products, finished industrial products, and handicrafts, including fresh and dried fruits, fresh vegetables, wines, sulphur, textile fabrics, leather goods, furniture, motor vehicles, machine tools, marble, musical instruments, and haberdashery. Among imports, wheat comes first, in quantities that fluctuate with the size of the home crop. Other commodities imported on a large scale are oil seeds, fats, raw cotton, wool, rubber, coal, mineral oils, metals, scrap, cellulose, chemical products, lumber, and machinery.

The extraordinary increase in the Italian trade deficit (US$727,300,000 for 1952 as compared with US$437,300,000 in 1951) was not, however, reflected in Italy's balance of payments. The deficit position in 1952 was softened by increased receipts of invisibles, principally income from tourists and remittances from abroad.

Changes in Trade Pattern

Certain food products, machinery and raw materials, particularly for the textile and steel industries, largely account for the increase in imports. Among those goods imports of which have decreased are wheat flour and coal. A more marked decrease in flour imports during 1953 is expected as a consequence of the good wheat harvest. Coal imports will fall off because of electric energy development and the ever-growing industrial use of natural gases.

Textile exports decreased most sharply in 1952, because of import restrictions adopted by Italy's two most important markets, the sterling and French franc areas. Exports of fresh and dried fruits, prepared foodstuffs, motor vehicles and sulphur also fell off.

Trade with Canada

The value of Italian imports from Canada reached $52 million Canadian in 1952 as compared with $48 million in 1951 and $15 million in 1950. Wheat constituted 53·6 per cent of the total and it is expected that these purchases will be slightly higher in 1953.

Italian imports of wheat flour reached $4,900,000, but those imports will be much lower this year, because Italy will be able to import more hard wheat for her mills and also because of a better local wheat crop. Purchases of Canadian codfish amounted to approximately $2 million, although the dollar allocation set aside by the Italian Government was $3 million. It is expected that the Canadian fisheries will sell Italy $3 million worth of codfish in 1953, provided it can supply the quantity and quality required. Canned salmon imports amounted to $470 thousand and Italy will absorb approximately the same amount in 1953.

Canada has an expanding market in Italy for basic metals such as nickel, steel, copper, aluminum and asbestos, but it is limited by the exchange situation here and in some cases by the supply position in Canada. Other important imports from Canada in 1952 were dissolving sulphite pulp and other types of pulp, drugs, pharmaceuticals, and chemicals.

A continued expansion in Canada's export trade with Italy depends more than ever upon an increased market for Italian products in Canada. Italian exports to Canada stood at $11,700,000 in 1952 as compared with $14,200,000 in 1951 and $9,300,000 in 1950. Main exports were textile fabrics, fresh and dried fruits, wines, handicrafts, machinery and machine tools. There appears to be a particularly promising market for Italian machine tools in Canada and increased sales will depend largely on the success of local manufacturers in supplying the right type of machine at a competitive price.

—A. A. CARON
Assistant Commercial Secretary for Canada

The Netherlands

- *Balance of payments shows first postwar surplus.*
- *"Export Bonus" dollars at about 10 per cent premium.*
- *Exports from Canada up some $15 million in 1952.*

THE HAGUE—The Netherlands has prospered during the past twelve months, its economic position has continued to improve, and on January 27, 1953, direct financial aid under the Marshall Plan ended. The damage from the floods which swept the country on January 31 and February 1, estimated at 860 million guilders, was serious, but there has been a remarkable recovery from the disaster. The unemployment problem which was beginning to plague the Government has been practically solved as a result of the catastrophe, and spontaneous aid from Canada and many other nations has done much to ease the financial problem which the floods raised.

Balance of Payments

One of the most significant features of 1952 in the Netherlands was the large surplus of 1·8 billion guilders in the balance of payments, the first surplus since the war. In other postwar years, the deficit has varied between one and two billion guilders. The favourable balance of payments resulted in an increase of gold and currency reserves, which by May 1953 reached a postwar high of over four billion guilders. Since August 1951 the Netherlands has shown substantial monthly surpluses with the European Payments Union and by the end of March 1953 had exceeded its EPU quota of $355 million by $3 million. Liberalization of imports into the Netherlands from OEEC countries has been increased from 82 to 92 per cent.

The president of the Netherlands Bank stated late in April that the economy had emerged stronger from a period of adaptation and rehabili-

tation in 1952 and may be ready, in co-operation with other European countries and the United States, to prepare measures to regain a certain general convertibility of currency.

"Export Bonus" Dollars

Although the Netherlands dollar position has improved during the past year, it would be premature to assume that this market will shortly be open to all types of dollar goods. However, some Netherlands importers of Canadian products expect that they will have a larger turnover this year as a result of the extremely low rate for the "Export Bonus" dollar. Under this arrangement, Netherlands exporters to the dollar area are allowed to retain 10 per cent of the invoice value of their shipments which may be used to import dollar goods. In practice, there is a virtually free market for the Export Bonus dollar. When the scheme was inaugurated, the premium paid for these dollars against the guilder was as high as 100 per cent. In recent months the price of E.B. dollars has been as low as 4·15 guilders, compared with 3·80 guilders for the official dollar. The present premium for the E.B. dollar is, therefore, about 10 per cent.

Because of the Netherlands' relatively low tariff structure, commodities which are competitive in price and quality may find some place on this market. However, supplies of "Export Bonus" dollars are limited and this incentive to export may disappear.

In spite of the encouraging short-term economic outlook for the Netherlands, the long-term picture is still clouded. There are, in fact, basic weaknesses in the country's economic structure. Holland's ever growing population is confined to a small area with few natural resources. As a consequence, the Netherlands is very sensitive to external economic influences which could wipe out in a short time the advances made. At the moment, the country seems likely to maintain its present gains, although the rate of improvement will probably slow down.

Foreign Exchange Position Improved

In the course of a single year the Netherlands has increased her gold and foreign currency holdings by almost two billion guilders. The present favourable payments balance stems from several factors, the most important of which have been a substantial reduction of imports and a gradual increase in exports. Holland's trade deficit in 1952 was only 504 million guilders, compared with 2·2 billion in 1951 and 2·4 billion in 1950. Contrary to expectations, improvement in the terms of trade has been slight. Import prices in 1952 remained relatively stable following an upsurge in 1950 and the early part of 1951. At the same time, the increase of export prices in 1952 compared with the previous year was only two points. Large surpluses on trade with countries of the European Payments Union have perhaps played the most important role in strengthening the Netherlands financial position. In addition, Holland has benefited from favourable trade balances with nations outside the EPU, particularly Indonesia and some South American countries.

Greater freedom in international currency transfers has been one result of the better balance of payments in 1952. A so-called free foreign exchange market for spot and forward dealings in the currencies of the United Kingdom, the United States, France, Belgium, Switzerland, Sweden and Brazil has been established. One of the more important

relaxations of exchange controls is the freeing from quantitative restrictions of 92 per cent of the nation's imports from OEEC countries. The Netherlands has thus now well exceeded the liberalization ratio of 75 per cent agreed upon by members of OEEC. Tourist and emigrant allowances, particularly to soft-currency countries, have been substantially increased. Transactions in international securities have been made easier. Transfer of capital by both residents and non-residents has been eased. Although import licences are still required for all commodities, permits for soft-currency imports have now almost become a matter of form.

In 1952, total exports from Canada to the Netherlands amounted to $41 million, compared with $26 million in 1951 and about $10 million a year, on the average, before the war. Traditionally the Netherlands buys from us wheat and other grains, non-ferrous metals, rubber products, and lumber. Normally, these comprise about three-quarters of our sales to Holland. The rise of some $15 million in the 1952 exports stemmed chiefly from increased shipments of grain. Aluminum, brass, asbestos and herring oil also figured largely.

Canadian imports from the Netherlands customarily include unset diamonds, horticultural products, and a fairly large number of manufactured goods in the textile, machinery, electrical and chemical fields. Holland supplies a good part of the Canadian imports of florist and nursery stock. Total imports from the Netherlands in 1952 reached $16½ million, compared with $14 million in 1951. Considerable shipments of tin, and settlers' effects worth $3½ million, helped to swell the total.

Dollar Difficulties Persist

Netherlands importers continue to find it difficult to introduce non-essential goods from Canada into this market because of Holland's lack of dollars. Although the dollar deficit dropped from 653 million guilders in 1951 to 171 million in 1952, no far-reaching relaxation of dollar import restrictions seems likely at present. Canadian grain, favoured by the Netherlands for its milling qualities and which moved freely into this country in 1952, will probably continue to enjoy preference here. However, until the Netherlands can strike a better balance of trade with the dollar area, non-essential products will certainly continue to meet serious difficulties when trade against other than "bonus" dollars is attempted.

—W. G. Pybus
Assistant Commercial Secretary for Canada

The floods in Holland early in February stimulated a Dutch engineer to develop an automatic high water recorder, combined with an alarm system. The recorders would be placed at strategic points along the coast and connected to installations in the villages. These coloured lamps—green for normal water height, yellow for high water, and red for danger—would flash on. When the light turned red, a siren would, at the same moment, sound the alarm.

Norway

- *Import values increased, export values fell in 1952.*
- *Imports from Canada up by $6·8 million over 1951.*
- *Drop in freight rates will affect shipping income.*

OSLO—Norway's national economy continued to expand in 1952, though the year brought a number of adjustments. During its course, the favourable conditions which the export industries enjoyed in 1951 changed considerably and the extraordinary profits came to an end. These industries, including shipping and whaling, were again working on a close margin. However, though in some cases production declined as the demand dropped, activities in general were reasonably well maintained.

Agriculture and the fisheries had a relatively good year; the net increase in the merchant fleet totalled approximately 255 thousand gross registered tons. On the other hand, freight rates dropped considerably and the surplus of some 190 million kroner obtained on the balance of payments in 1951 is expected to become a deficit of about 100 million kroner in 1952. A high level of activity, however, was general and the money circulation increased in step with prices and wages.

Up to the time when ERP was replaced by MSA at the end of 1951, Norway had received direct aid to the amount of $253·5 million, of which goods to the value of $231·9 million had been delivered by mid-1952. Detailed statistics on MSA aid during 1952 are not yet available but a statement by the Bank of Norway at the end of the year calculated counterpart funds of MSA grants at Norwegian kroner 265 million, and counterpart funds of MSA loans at Norwegian kroner 30 million.

Situation in EPU

Norway had an accumulated deficit of $76·5 million with the European Payments Union at the end of 1952. From this amount $60 million, Norway's "initial position" in EPU ($50 million as gifts and $10 million as loans), must be deducted. At the end of the year Norway had thus drawn $16·5 million of her quota and was approaching the limit beyond which payments partly in gold must be made to the Union. (Norway's quota is $200 million and in accordance with revised provisions, effective July 1, 1952, any amounts drawn in excess of 10 per cent of the quota must be paid partly in gold.)

Balance of Payments

The improvement in the balance of payments in 1951 continued during the first half of 1952, when the surplus on current account reached 250 million kroner. The last six months, however, ended with a foreign exchange deficit of 350 million kroner and the net deficit was thus 100 million kroner. The deterioration in the balance of payments from 1951 to 1952 stemmed chiefly from transactions in pounds sterling. The dollar balance improved slightly.

(Above) The Norwegian liner "Oslofjord" enters Bergen Harbour. Norway's shipping makes a valuable contribution to the country's balance of payments but a fall in freight rates is expected to cut shipping income.

The most striking feature of Norway's foreign trade in commodities (exclusive of ships) was the increase in import values and the decrease in export values. The total import surplus (commodities only) increased from 1,387 million kroner in 1951 to 1,811 million in 1952. The import figures for these two years were 5,365 and 5,579 million kroner, and export values 3,979 and 3,768 million kroner respectively. In terms of volume, there was a general decline in foreign trade.

Foreign Trade

Of Norway's total imports in 1952, European countries supplied 72 per cent and North America 17·5 per cent. The following countries were the most important suppliers: Great Britain, 20 per cent; Sweden, 13·8 per cent; Western Germany, 11·2 per cent, and the United States, 11·1 per cent. On the export side, the chief customers and their share of Norway's total exports were remarkably similar to those on the import side. Exports to Europe totalled 70·6 per cent and to the North American continent 11·1 per cent. The chief individual purchasers, with percentages, were: Great Britain, 20·1; Sweden, 9·6; Western Germany, 8·8 and the United States, 7·7.

Norway's trade with Canada saw the values of both imports and exports increase in 1952 as compared with 1951; imports advanced from \$32·2 to \$39 million, and exports from \$3 to \$3·9 million. The most important imports from Canada were, in order of importance, nickel in matte or speiss, wheat, fine copper in ore, barley, drugs and chemicals n.o.p., and carbon graphite electrodes. The most important exports to Canada were ferro-silicon; canned anchovies and sardines; mechanical wood pulp; non-ferrous metals and their products; industrial furnaces and parts; nickel bars, rods, strips and sheets; synthetic staple fibres, and steel castings n.o.p.

Full employment continued in Norway throughout 1952; in many trades there was even a shortage of labour. The excess of demand over supply on the labour market was, however, less than in 1951. The seasonal peak was reached in June, when the total number of insured workers was 918,390, compared with the highest 1951 figure of 922,754. On the average, registered unemployment in 1952 was about one per cent of the total labour force. Even if the employment situation is on the whole satisfactory, recent developments have called attention to the difficulties of keeping employment at the maximum during 1953.

Shipping

No other branch of the Norwegian economy suffered more heavily from the setbacks of 1952 than the shipping trade. The tramp freight index (July-December 1947 equals 100) dropped from 167·9 in January to 83·7 in August. A partial recovery brought the figure up to 89·5 in December. During the same period, the time charter index declined from 117·5 to 60·4, and the tanker freight index from 407·4 to 150·8. But even though some ships have been laid up, the fleet on the whole has been in operation. Since there is a considerable time lapse between fluctuations in freight rates and their effect on shipping incomes, the net contribution of shipping to the country's balance of payments will probably be about the same for 1952 as for 1951—about 2,000 million kroner.

During the year the merchant fleet increased by approximately 255 thousand gross tons. On January 1, 1953, it totalled 6,043,000 gross tons and consisted of 2,151 ships, of which 366 were tankers aggregating 3,107,000 gross tons. At the turn of the year the tonnage contracted for or under construction for Norwegian account totalled 3,046,000 gross tons, of which 666 thousand tons are being built by Norwegian yards.

Fisheries and Agriculture

The output of Norway's fisheries was lower in 1952 than in the preceding year. The winter herring fisheries catch totalled approximately 820 thousand tons, compared with 888 thousand tons in 1951. The cod fisheries yielded 122 thousand tons (149 thousand tons in '51). The total yield of Norwegian fisheries declined from 1,668,525 tons in 1951 to 1,632,974 tons in 1952 but because export prices were higher, the first-hand value of the catch was only slightly lower.

The quantity of whale oil produced by Norwegian companies in 1952 was about the same as in 1951—some 1,018,906 barrels, as against 986,817 barrels in '51. The Norwegian sperm oil production amounted to 137,402 barrels, a slight improvement on the 1951 figure of 129,467 barrels. Because of the lower prices prevailing on the world market, however, the value of the 1952 production of whale oil and other byproducts declined to 311 million kroner from 358 million during the previous season. During the 1952-53 whaling season, only seven Norwegian expeditions participated, in contrast to ten expeditions in 1951-52.

Crops were somewhat larger than in 1951 but still not satisfactory. According to a preliminary calculation, the total output in 1952 was 1,984 million "feed units" (the equivalent nutritive value of one kilogram of barley). The corresponding figure for 1951 was 1,860 million feed units and for 1950, 2,084 million, the highest output ever attained. (An average crop is considered to be approximately 2,049 million feed units.) On the whole, grassland and pasture crops were good; the hay crop was estimated

at 2·9 million tons, or 230 thousand tons more than in 1951. Grain crops totalled approximately 359 thousand tons compared with 360 thousand tons for 1951 and the potato crop increased 16 per cent.

The agricultural price index (April 1, 1938-December 31, 1939, equals 100) rose to 308 in November 1952 from 287 a year earlier. The index for plant products rose from 284 to 289, for animal products from 288 to 312, and for agricultural equipment and supplies from 239 to 249.

During the felling season 1951-52, the production of timber amounted to 8·18 million cubic metres, compared with 6·55 million during the preceding season. This is a postwar record. The sale of timber was decontrolled on December 10, 1952. Timber prices declined slightly in 1952, from 70 to 67 kroner per cubic metre for spruce.

Industry

For the first time since the war, total industrial production did not increase. During the first 11 months of the year, the index of industrial production remained at 148·6, the same as for the corresponding period of 1951. For the export industries the indices were 136 and 135·9 respectively, and for industries producing for the home market 154·6 in 1952, compared with 154·8 in 1951. Keeping in mind the progress in expanding industrial equipment, this means that the use of available capacity has declined to some extent.

However, a few branches of industry increased their output, especially the mining and electro-chemical industries, in which there have been heavy investments since the war. A large proportion of these investments formed part of the North Norway Development Plan, as a result of which the Sydvaranger Mining Company at Kirkenes resumed its production of iron ore. Before 1939 this plant was Norway's leading producer of iron ore but it was so heavily damaged during the war that it had to be completely reconstructed. Total exports from Sydvaranger in 1952 reached approximately 400 thousand tons, and in 1953 are expected to increase to more than 900 thousand tons. The total production index for the mining and metal producing industries rose from 112·5 in 1951 to 122·3 in 1952, and in the electro-chemical industry from 170·7 to 179·5. The level of activity in the textile, footwear, pulp and paper and wood refining industries was somewhat lower than in 1951.

The Outlook

The level of industrial production continued to be high during the first quarter of 1953. The index reached 164 in February and declined slightly in March to 161, as compared with 149 for the whole of 1952. Unemployment rose slightly but business has been brisk, although the trade in certain luxury articles and textiles declined. The output of the fisheries has varied: the total yield of the winter herring fisheries was valued at about 130 million kroner as compared with 154 million in 1952 but the cod fisheries have not been satisfactory. In agriculture, the year seems to have started well with a satisfactory amount of rain.

Marketing conditions are still very good in a number of export trades, including fertilizers, ores and metals. The value of exports, however, continued to drop during the first three months of 1953; the value of imports increased to some extent. The drop in freight rates appears to have come to an end during the first quarter of 1953 after the preceding

heavy decline. In March both tramp and tanker freight rates moved up: the freight index in that month was 90·9 for trip charter and 77 for time charter, compared with 89·5 and 60·4 respectively at the end of 1952.

Even if the demand for Norwegian export products and shipping services increases, it will be some time before this will mean more foreign exchange to finance imports. With investment high and defence expenditures growing, Norway's expenditures on imports will probably not shrink. With a deficit on current account, the danger is that it may reach such proportions, and last for so long, that neither the currency reserves nor long-term lending from abroad can balance it. In that case, the country might experience difficulties that would affect both production and employment.

—J. L. MUTTER
Commercial Secretary for Canada

Portugal

- *Six-year, $470 million development plan under way.*
- *Cork and wine exports showed marked drop in 1952.*
- *Restrictions on dollar buying cut trade with Canada.*

LISBON—Metropolitan Portugal, including her prosperous island areas of Madeira and the Azores, is a remarkably stable part of the European trading picture. Portugal is one of the creditor nations in the European Payments Union, has a strong and stable currency, and no free market for escudos.* It carries successfully such social services as family allowances, birth and nursing grants, provident funds, holidays with pay, government-sponsored housing schemes and constantly expanding facilities for education, particularly for adults.

In addition, Portugal's network of roads equals, per head of population, that of any country in Europe; her telephone service is excellent; cheap hydro-electric power is steadily expanding to serve industrial needs, and the ports of Oporto and Lisbon are constantly being modernized.

The budgetary position, though somewhat strained by defence commitments as a member of NATO, is unique in that, during the years since World War II, the budget has been balanced for seven consecutive years.

Of considerable interest to Canada is the Portuguese plan of development, spread over 1953-1959. The plan provides the sum of escudos 13 billion ($470 million) to be expended equally in Metropolitan Portugal and her rapidly developing overseas provinces of Angola and Mozambique, as well as her far eastern possessions of Macau, Portuguese Timor and other islands off the coast of Africa. It includes a great increase in hydro-electrification both in Portugal and overseas; irrigation, roads, port development, railways, colonization in Africa, and mineral development, particularly of manganese.

* 1,000 escudos=approx. $30.00 Canadian.

To make the Portuguese economy more self-contained it is proposed at the same time to build up the iron and steel industry, and increase production of tinplate (for the extensive canning industry) and certain chemicals, such as tanning extracts, taking advantage of the favourable climate in Portugal for acacia and mimosa production. Idle reserves in banks, private industry and government agencies, as well as accumulated balances, are confidently expected to carry the cost of this ambitious long-term plan.

Portugal, as a creditor nation in the EPU, is attempting to increase imports from other European countries, and there is already keen competition among the United Kingdom, Germany, France and other European industrial nations for a share in the plan. The overseas provinces, it is said, will be allowed considerable latitude to buy essential equipment in dollar areas, where industrial and technical goods can be obtained more readily. Canadian firms with representatives in Portugal or Africa would therefore be well advised to keep in touch with these developments.

Portugal's Overseas Trade Trends

Portuguese foreign trade in 1952 shows imports to the value of 9,967 million escudos against 9,472 million in 1951. Exports decreased to 6,820 million escudos, as compared with 7,559 million in 1951.

	Imports from		Exports to	
	Million Escudos	Percentages	Million Escudos	Percentages
Portuguese overseas provinces...	1,525	15·3	1,790	25·8
Member countries of the EPU				
United Kingdom	1,585	15·9	841	12·4
West Germany	723	7·3	426	6·3
Belgium-Luxembourg	1,055	10·6	274	4·0
France	469	4·7	289	4·2
Italy	194	1·9	234	3·4
Other countries and overseas territories of member countries, except Portuguese provinces	1,504	15·1	828	12·5
	5,530	55·5	2,892	42·8
Various	....	....	20	0·3
Countries not EPU members				
United States	1,362	13·6	989	14·5
Brazil	63	0·6	246	3·6
Saudi Arabia	424	4·3	....	....
Canada	157	1·0	59	0·9
Other countries	1,062	10·7	883	13·0
	3,068	30·2	2,177	32·0
Totals	10,124	100	6,879	100

The table reveals that measures taken in 1952 to restrict exports to European countries did not have a marked effect in diverting exports to dollar areas, particularly the United States.

Exports to the United Kingdom fell more sharply, but the U.K. maintained its leading position in exports. Germany and Belgium-Luxembourg increased their sales to a marked degree; France lost ground.

From the Portuguese point of view, these figures show a disappointing fall in exports and energetic measures will shortly be taken to advertise and extend commercial activities in the United States and Canada.

The annual report of the Industrial Association of Oporto, regarded as the principal manufacturing group in Portugal, stressed a number of adverse conditions affecting industry in 1952, though the report was largely designed to impress the Government with the need for greater protection and less liberalization of imports. For example, 1952 was reported the worst year in recent times for cotton spinning mills because of foreign competition and decreased internal demand. The bicycle assembly industry suffered from contraband shipments from Spain, unlicensed manufacture in Portugal, and severe foreign competition. The shoe industry complained of over-production; breweries, of malt shortages because of poor barley crops; the cork industry, of inability to ship to Brazil and competition from inferior but cheaper cork products from North Africa; the wolfram industry of the higher export tax seriously restricting sales to the United States. Similarly, foreign competition is blamed for lower sales of fertilizers and light and heavy chemicals.

On the brighter side, the metal trades industry reports increasing sales with good prospects for 1953, the glass and china producers are expanding to meet foreign demand, and sugar refineries report better conditions because of the relaxation in government controls. With the steady expansion of cheap hydro-electric power, industry as a whole is expected to improve later in 1953.

Agriculture in Review

In a recent review by the Ministry of Economy, production of wheat in Metropolitan Portugal was estimated at 554,252 metric tons, a decrease of 4·4 per cent from the previous crop. It is expected that 142 thousand metric tons will be required from overseas in 1953, of which 110,800 tons were allocated under the International Wheat Agreement. with possibly larger quantities in ensuing years. Production of maize in 1952 was 6,253,000 hectolitres (625,300 metric tons), a slight increase over the previous year. Rye production was 174 thousand tons compared with 193,670 tons in 1951. Oats production amounted to 135,375 tons in 1952 as against 148,140 tons in 1951; the figures for barley were 132 thousand tons and 136,770 tons respectively. The potato crop was about normal, at 1,025,000 tons.

The 1952 production of wine was most unsatisfactory—only 5,105,000 litres compared with 9,469,000 litres in 1951 and the depletion of wine stocks has brought a definite rise in prices. Finally, olive oil production was 53 million litres—approximately 40 per cent of the previous year but only slightly under the five-year average.

The agricultural outlook for 1953 appears promising.

Official statistics indicate that exports of cork, one of Portugal's leading sources of income, suffered a marked decline in 1952 as compared with the previous year. However, this was not unexpected because of heavy purchases for stockpiling during the two previous years, following the outbreak of the Korean war.

Exports amounted to 148,859 metric tons, compared with 230,346 tons in 1951, a drop of 35 per cent. But, as average prices were higher in 1952, the value of exports approximated that in 1951—1,221 million escudos against 1,377 million. Spanish and North African competition is expected to reduce prices in 1953, but Portugal hopes for a renewal of her sales to Brazil in compensation.

Total wine exports dropped to 21 million litres in 1952 from 27 million in 1951, largely because of British duties and restricted overseas demand. Larger orders and new markets may develop in 1953 as a result of recent trade agreements with France, Germany and Belgium.

Exports of sardines continue on a modest scale, last season's stocks are declining and prices are expected to fall to meet overseas competition. Stocks in hand are estimated at 150 thousand cases, with canning operations due to begin with the new fish harvest early in June.

Prospects for Canadian Trade

Despite continued restrictions on dollar purchases and Portugal's commitment to liberalize imports from other European countries, there is marked interest in and continual inquiries for a wide range of Canadian products, in the hope that import regulations will be relaxed and more dollars be made available for purchases in Canada.

Imports from Canada decreased from escudos 206,866 million to escudos 157,134 million, compared with exports to Canada of escudos 57,434 million in 1951 and escudos 59,833 million in 1952 (a slight increase over previous years).

This marked decrease in imports stemmed mainly from the increased competition in sales of dried salt codfish from Norway and marked improvement in the annual catch of the Portuguese modern fishing fleet. The bringing in of wet salted fish from Iceland and France for drying in Portugal has also had a marked effect on Canada's sales and Portugal continues reluctant to allocate dollars for this commodity, though Newfoundland cod takes first place for quality.

One of Portugal's traditional exports is canned sardines and this scene is taken in a typical canning factory in southern Portugal. Canning operations usually begin with the new fish harvest early in June.

Principal imports from Canada, in order of importance, were: wheat, dried cod, antibiotics, flour, paper, asbestos, copper, tinplate, aluminum, streptomycin, industrial machinery, tires, chains and cables, zinc oxide, synthetic rubber, light and heavy chemicals, and furs.

Sales to Canada Increase

Portugal's sales to Canada are increasing steadily and official circles indicate that a special effort will be made to expand sales during 1953-54 by personal visits of qualified personnel, by advertising and by increased participation in the Canadian International Trade Fair in 1954.

Chief products at present exported to Canada include cork (insulating and board), tungsten, mercury, embroideries from Madeira, table wines, Madeira and white port, canned fish, almonds, dried figs, olives, china and glassware, cut glass chandeliers and filagree jewellery.

Portugal's Financial Position

	(Millions of escudos)		
	1952	1951	1950
Gold and foreign exchange reserve	16,176	15,820	13,419
Credit granted	1,151	778	590
Bank notes in circulation	9,528	9,362	8,526
Treasury s/account	1,389	987	443
Public Credit Board	9	17	10
ERP Funds, counterpart funds	29	42	299
Deposits from banks and bankers	2,409	2,782	2,466
Savings deposits	3,412	2,572	1,366
Remaining responsibilities	281	548	338
	17,057	16,310	13,448

Thus the total monetary issuance by the Bank of Portugal represented by notes in circulation and other responsibilities showed, at the end of the year, an increase of 747 million escudos over 1951 resulting from, in almost equal proportions, the reserve in gold and foreign exchange and the concession of credits.

The Trade Outlook

The continued restrictions on import licences for purchases in dollar countries will tend to restrict growth of Canadian exports to Portugal and her great overseas provinces of Angola and Mozambique. There are increasing signs, however, of a relaxation in such controls to meet the needs of Portugal's six-year plan, and the steady reduction of her creditor position in the European Payments Union should assist materially. Portugal's proposed efforts to increase her sales to Canada and the United States during 1953-54 should strengthen her dollar position.

Canadian firms should maintain close contact with their established agents and keep them supplied with latest data on deliveries, change in prices and competitive position.

—L. Moore Cosgrave
Commercial Counsellor for Canada

Spain

- *Good harvests main factor in general improvement.*
- *Financial aid from U.S. expected in near future.*
- *Foreign trade expanding in both volume and value.*

MADRID—The Spanish economy, which has been limping along for so many years, is now recovering a measure of health, thanks to the good harvests gathered in 1951 and 1952. The fair harvest expected this summer should ensure that the gradual upswing of business activity will continue.

Although the scars and distortions left by the Civil War, the economic isolation imposed by the World War, and the postwar droughts are slowly receding into the background, full economic recovery is some distance off. There is still a chronic shortage of foreign exchange, particularly of dollars. Many Spanish goods are meeting with buyers' resistance abroad; the visible balance of foreign trade was unfavourable in 1952. Internal factors are more reassuring, however. Industrial and agricultural production is increasing, prices are levelling off, the ordinary budget has been balanced, black markets have been broken and all rationing abolished. In fact, there is every indication that a sound economy is developing.

Financial Aid Coming

Of outstanding importance is Spain's prospect of receiving financial aid from the United States in the near future. Spain is the only European country this side of the Iron Curtain that has not received—apart from an Import-Export Bank loan of $62·5 million in 1950—postwar assistance of any kind, not even in the form of offshore purchases. It has been announced that the dollars-for-bases accord has been reached with the United States and only technical details remain to be settled. Congress has already earmarked $125 million for Spain and there is further provision, thought to be about $75 million, included in the Foreign Aid bill now before it. It is not known how much of the total will be administered by MSA, as apart from defence aid funds, but the percentage will probably be substantial. The MSA funds will be spent in ways most likely to give lasting stimulus to Spanish economic growth, such as improving transportation, agriculture and mining. The railways, an obstacle to the country's progress in their present state, are particularly badly in need of rehabilitation.

The good harvests collected in two sucessive years brought many benefits to consumers. About a year ago, bread, rice, olive oil, sugar and other foodstuffs vital to the poorer classes were derationed and at the end of 1952, the two remaining commodities on ration—gasoline and tobacco—were freed. The general abundance of foodstuffs has brought a moderate decrease in prices and has finally broken the black markets which were for so long the main source of supply. Industry and agriculture have also benefited from increased imports of raw materials, brought in

with the deliberate intent of defeating speculators. The savings on food imports made these shock imports of raw cotton, copper, hides, crude rubber and fertilizer possible.

Better electricity and raw material supplies have led to a moderate rise in industrial output of 11·8 per cent in 1952. According to the Bank of Spain, the 1952 wholesale price index rose less than one per cent. The value of the peseta has hardened appreciably on the world's free currency markets.

Rainfall Vital

As a predominantly agricultural country with too little land under irrigation, Spain's prosperity depends on the vagaries of the weather. The lack of rainfall at the proper time affects industry as well because it lessens hydro-electric power supplies. Various long-range irrigation and water storage schemes are planned or under construction but until they are completed, the economy remains at the mercy of the weather.

The complete lack of rainfall in the more important agricultural areas during the early months of this year caused a great deal of concern over prospects for the coming harvest. However, widespread rains during the last half of April greatly improved the outlook. But the wheat crop is expected to be short and arrangements are being made to import up to 500 thousand tons. Dollars will have to be paid out for a good percentage of these imports. Pastures too are in poor condition and the meat supply will be affected. The output of other foodstuffs is expected to be satisfactory. Water and electricity shortages may develop later on this year, and this will affect industrial output adversely.

Foreign Investment Needed

The most important factor holding up industrial expansion is the shortage of investment capital and Spain hopes to attract foreign capital. At present, the State absorbs all forced savings in the form of social security payments and a substantial portion of private savings deposits, leaving very little for private industry. Foreign participation in Spanish companies is, moreover, limited by the Investment Law of 1939 to 25 per cent of the share capital. In isolated instances over the past three years, foreign investors have been allowed up to 50 per cent participation. It is expected that the Government, recognizing the need of capital from abroad, will gradually relax the provisions of this law.

Profit remittances on dollar investments in Spain have not been permitted since 1936. Royalty payments, on the other hand, are being made but are in arrears. The aid pact with the United States may create a better atmosphere for dollar investment in Spain and pave the way for the renewal of dividend remittances.

Trade Is Expanding

Spanish visible foreign trade continues to expand in imports and exports and in value as well as in volume. Official statistics place the value of total trade (excluding trade between Spain and its overseas possessions) in 1952 at 3,135 million gold pesetas (one gold peseta= approx. 33 cents) which compares with a total trade value of 2,771 million gold pesetas in 1951. In 1951 there was a favourable balance of 173

million gold pesetas but in 1952 this turned into an unfavourable balance of 365 million gold pesetas. The unfavourable position probably stems from a shift in the terms of trade against Spain, stiffer competition in traditional export markets, and a more liberal import policy designed to keep prices down. There were, for instance, sharp decreases in exports of textiles and metal products. Although balance of payment figures are never published, opinion is that the invisible items in Spanish trade cancel out.

Germany Makes Gains

About 70 per cent of Spain's foreign trade is with Western European countries and the United States. In order of importance, the United Kingdom, the United States, Germany and France were the leading countries in Spanish trade in 1952. With the exception of the United States, trade with these countries is carried on through bilateral agreements; Spain is not a member of EPU. Spain had an unfavourable balance with the United States in 1952 of 138 million gold pesetas. Imports from the United States were made up chiefly of petroleum products, cotton, wheat, and other prime essentials. Germany is making strides in the Spanish market and lately has been shipping important quantities of consumer as well as capital goods.

Trade with Canada

Spain's trade with Canada in 1952 balanced at a level of about $4·3 million. From the Canadian point of view, this was an improvement over 1951 when Canadian imports into Spain amounted to only $925 thousand compared with Spanish exports to Canada of over $7 million. Apart from indirect trade which is of some importance in both directions, wheat represented nearly half the value of Canadian exports to Spain in 1952. Other principal items in order of importance were: salt codfish (appearing in 1953 trade returns), sulphite pulp, asbestos, brass bars and rods and scrap, ferro-manganese and newsprint. Principal Spanish exports were green olives, cork, almonds and peanuts, wine salt for fisheries, sewing machines and olive oil.

Trade Prospects

Any hope of broadening the range of goods moving from Canada to Spain will depend on Spain's success in expanding her exports to the dollar area. In the short-term view at least, it is unlikely that Canadian exporters will find worthwhile outlets in this market for goods other than wheat, salt fish, and raw materials in general. Shipments from Canada of wood pulp and newsprint are not likely to be repeated because last year's purchases of these were made under special circumstances. MSA funds for Spain will, of course, provide new opportunities and Canadian manufacturers of railway rolling stock and equipment, agricultural machinery, heavy mining and industrial equipment, etc., would do well to keep their eyes on this market.

—E. H. Maguire
Canadian Government Trade Commissioner

Sweden

- *Export earnings of forest products slumped in 1952.*
- *Germany regained first rank as Swedish supplier.*
- *Cut in freight rates will affect shipping income.*

STOCKHOLM—The price boom in Sweden's exports in 1950 and 1951 resulted in a surplus in balance of payments on current account of 190 million kronor in 1950 and 940 million in 1951. The return of prices to normal in late 1951 and the tighter import restrictions on pulp and paper imposed by two of Sweden's best customers, the United Kingdom and France, brought the surplus for 1952 down to 40 million kronor.

Agricultural harvests were satisfactory and the building (mostly residential) and shipbuilding trades made modest advances during 1952. In engineering, demand slackened off toward the end of the year, partly because of keener competition from Western Germany. Labour, which has been short ever since the end of the war, showed signs of becoming more stable. The trade unions negotiated an average wage increase of about 15 per cent over the 1951 wage scale. Since the cost-of-living index has only risen between 4 and 5 per cent, this means a real increase for the workers of about 10 per cent for the year.

The Industries

Exports of forest products in 1952 dropped drastically as prices fell sharply, but production costs remained the same or rose slightly. Import restrictions introduced by Sweden's biggest customers, who also had to pull in their belts, contributed to the shrinkage in export earnings. Production of wood pulp dropped from two million tons in 1951 to 1·6 million in 1952. Exports of sawn and planed wood dropped from 838 thousand standards in 1951 to 658 thousand standards in 1952. Paper and paperboard prices dropped by nearly 40 per cent at the end of 1952; production dropped by about 20 per cent. Only newsprint was able to maintain full production and sales throughout the year. Recent reports indicate some improvement in the outlook for forest products in 1953.

The expansion in Sweden's steel industry is reflected in the year's production figures, recently published. Pig iron production for the first time exceeded one million tons, an increase of 200 thousand tons over 1951. The output of castings also increased substantially, as did iron and steel for market; imports rose slightly—from 750 thousand tons in 1951 to 788 thousand tons in 1952—and exports remained static at 165 thousand tons. Iron consumption (i.e., production plus imports and minus exports) increased from 1·5 million tons to 1·7 million tons and iron ore exports rose from 14·99 to 15·6 million tons.

The year witnessed slackening in demand particularly during the latter half, when the engineering trades began to feel the effects of intensified competition overseas.

Good harvests meant a year of satisfactory increases in production for nearly all agricultural products. Mechanization of farming continued and the number of farm tractors now in use exceeds 80 thousand.

The favourable trade balance of 1951 became a deficit in 1952, largely because of the collapse in overseas markets for timber, pulp and paper. As usual Britain was the largest buyer but Germany resumed her traditional place as the principal supplying country, ousting Great Britain. The USSR ranked tenth as a buyer and after Canada as a supplier.

Sweden's imports from Canada in 1952 remained steady, at just over 62·4 million kronor, but her exports to Canada dropped by 27 per cent—from 61·36 million kronor to 44·72 million kronor. This was almost entirely because an exceptional shipment of butter raised the 1951 figures by nearly 15·6 million kronor. Swedish manufacturers are devoting ever-increasing attention to the Canadian market and the fact that exports to Canada have increased from under 18·2 million kronor in 1949 to over 44·2 million kronor in 1952 shows that their efforts have met with some success. During the same period, imports from Canada rose from 28·6 million kronor to 62·4 million kronor.

Balance of Payments

The deficit in the trade balance was more than offset by increased earnings from shipping, estimated at 1,000 million kronor for the year, or slightly more than in 1951. The estimated net deficit in revenues from other current items—such as tourist trade, interest, dividends, etc.—is put at 100 million kronor, leaving a surplus for the year of 40 million kronor or about 500 million less than in 1951.

Total foreign exchange reserves, which had increased by over 1,000 million kronor during 1951, remained steady in 1952 (2,284 million kronor in December) subject to only minor fluctuations. The net result at the end of the year was a drop of 74 million kronor in the Riksbank's holdings of gold and foreign exchange, which was more than offset by an improvement of 206 million in the commercial banks' foreign payment position.

Imports from the dollar area remained unchanged at 1,250 million kronor in 1952 as compared with the previous year; exports dropped 660 million kronor to 615 million, leaving a deficit of 635 million kronor, a considerable deterioration from the position in 1950, when dollar trade was in balance. The dollar problem accordingly continues serious and imports from dollar sources are under rigid control.

Forecast for 1953

In the Government budget proposals for 1953-54, the export value of Sweden's foreign trade for 1953 is forecast at about 7,000 million kronor, as compared with roughly 8,000 million in 1952. In reaching this figure, an expected increase of 4 per cent in volume was forecast and a decline of 16 per cent from the 1952 level of prices. On the other hand, the volume of imports is expected to remain about the same. This, with an expected 8 per cent drop in prices, will reduce the import value for 1953 to 8,100 million kronor from 8,900 million kronor in 1952. Income from shipping is estimated at 775 million kronor as compared with 1,000 million kronor in 1952. This shrinkage is attributed to an expected 5 per cent decline in transport volume and a 15 per cent cut in the average level of freight rates. It is expected that there will be a net deficit of 100 million kronor on other invisibles, including tourist trade. The Government will, therefore, budget for a deficit on current account of 425 million kronor.

—F. W. Fraser
Commercial Counsellor for Canada

Switzerland

- *Exports exceed imports for first four months of '53.*
- *Falling commodity prices act as brake on imports.*
- *Imports from Canada, mainly raw materials, are up.*

BERNE—Switzerland's national income during 1952 is estimated at 20·1 billion francs, or about $4·7 billion Canadian, for a population at the end of the year of 4,780,000. This was an increase of 600 million francs over 1951 and came mainly from higher wages and salaries.

The high standard of living and prosperity here is also explained by Swiss exports, which rose to 4,749 million francs in 1952, or about $1,105 million Canadian, at a rate of exchange of 4·3 Swiss francs to the dollar. This compares with 4,691 million francs for 1951. The unfavourable balance of trade for 1951—some 1,325 million francs—was reduced to 477 million in 1952. And for the first four months of 1953 exports exceeded imports by 50 million francs.

Diligence Counts

These figures speak for themselves and are a tribute to a small land poor in natural resources which has developed into one of the most highly industrialized countries in the world. About 90 per cent of Switzerland's exports consist of manufactured products. This means that domestic conditions are governed by those prevailing in the major importing countries and by the international situation. Today there is little unemployment and the absence of strikes speaks well for the relations between management and labour. The Swiss people are convinced that their very existence depends on the skill and diligence of their workers—a feeling that the workers seem to share.

The general cost-of-living index has fluctuated only slightly during the last twelve months and stood at 168·8 at the end of April 1953 (August 1939=100), compared with 170·1 for April 1952. The index of wholesale prices fell from 220·8 at the end of April 1952 to 212·3 at the end of April 1953 (August 1939=100).

Foreign Trade

The principal characteristic of Switzerland's foreign trade during the last twelve months has been the trend towards a favourable trade balance. As a rule, this country imports much more than it exports. This situation is normally corrected by invisible exports, which currently constitute about one-third of the Swiss international balance of payments. The situation was reversed in August 1952, when the first favourable balance of trade was achieved. It has since continued favourable for every consecutive month with the exception of January and April 1953. The maintenance of Swiss exports at a high level is the reason for this exceptional state of affairs, plus an almost uninterrupted decline in imports since the high reached in April 1951.

—Switzerland Cheese Assoc.

Here "Swiss cheese" is being carefully stored in a curing cellar, where it will ripen. Recent U.S. restrictions on the import of cheese have been a real blow to the cheese producers in Switzerland, as in other countries.

Following the outbreak of the war in Korea, Switzerland immediately built up stocks of imported goods much above the customary level. During the last two years, the Swiss have been drawing on these reserves and industry has been returning to normal—though all branches have not done so equally. For instance, the textile industry, where the process of readjustment was first noticed, has resumed purchases of raw materials. In the metallurgical, machinery and building industries, import statistics show that there are still reserve stocks of raw materials although consumption is high. Falling commodity prices continue to exert a brake on imports and until this movement appears definitely checked, it is impossible to give a reliable forecast of the future trend. Imports may, however, be maintained at about the present level for some time, particularly as there is no foreign exchange control in Switzerland and the relatively few import restrictions apply mainly to a number of agricultural products.

European Payments Union

Switzerland is a member of the European Payments Union because the aim of this organization is to facilitate intra-European trade, of considerable importance to this country. Fears are expressed that if the EPU were ended, most of the European countries would be forced to return to bilateral agreements, harmful to Switzerland. During 1952 Switzerland's exports to member countries increased by 36·4 per cent over 1951 and her adhesion to the Union has benefited the national economy.

Trade between Canada and Switzerland has increased considerably since the war and Switzerland will probably continue to look to Canada as a source of supply—mainly for foodstuffs such as wheat and other cereals, and raw materials such as minerals and metals needed in its industries. On the other hand, Canada's industrial expansion should mean an increase in Swiss exports to Canada of precision tools, apparatus and machinery of various kinds, and other products.

Trade with Canada

During the year ended April 30, 1953, Switzerland's imports from Canada were valued at 201 million francs compared with 154·4 million for the corresponding period in 1951-52, an increase of 30 per cent. Switzerland's exports to Canada for the same periods were 85·3 and 76·6 million francs, an increase of 11·3 per cent.

Switzerland offers a market for some $35 to $45 million worth of Canadian goods. For products manufactured in Canada the possibilities are restricted because the market is largely supplied by the domestic industry and there is much keen competition from the neighbouring European countries. The demand in Switzerland—and this applies to commodities of all kinds—is primarily for quality, but the Swiss also pay close attention to price. The return to a closer parity between the Canadian and U.S. dollars will assist Canadian exports considerably.

Investments in Canada

Switzerland is not overlooking the possibilities for capital investment in Canada and considerable Swiss capital is being invested there. However, this capital is mainly used to purchase securities in sound and well-established Canadian enterprises; the Swiss are traditionally averse to investing in industries where the element of risk is great, such as mining. This is particularly true of the larger Swiss banks, which have to fructify the savings entrusted to them not only by the Swiss people themselves but by the many foreigners who maintain bank accounts in Switzerland.

Experience has taught the Swiss to be cautious in establishing factories in other countries. Swiss industrialists prefer to export their goods from their plants in Switzerland rather than manufacture them abroad, except in countries where they are encouraged to do so by protective customs tariffs, and where financial transfers are not made precarious by the possibility of restrictions being imposed on foreign exchange. Comparatively few Swiss industries have established branch plants in Canada in recent years. The proximity of the powerful U.S. industry is doubtless a deterrent but the Americans themselves are setting up branch plants in Canada, and this may influence the Swiss to follow their example.

Future Prospects

The last two years have been prosperous ones for Switzerland. Though there are a few soft spots, the general level of production remains high. Competition from a number of industrial nations, principally Germany, is becoming keener. Switzerland is endeavouring to meet this competition by keeping pace with the modernization of industry in other

countries. Specialization and not mass production is the rule and efforts are directed to the export of products as highly finished as possible and of the best quality.

About one-third of total Swiss output, mainly manufactures, is exported. A number of branches of production depend almost entirely upon foreign markets; ninety per cent of the production of Swiss watches, for instance, is marketed abroad. It is natural therefore for the Swiss to be alarmed at any prospect of increased duties on their products in other countries. The possibility last July that watchmakers in the United States might succeed in securing higher duties caused considerable anxiety in Switzerland. The relations between the two countries were further strained as a result of the United States Government's restrictions on cheese, another important Swiss export. The possibility of a change in the traditional protectionist policy of the United States toward freer imports is of special interest to Switzerland and developments are being watched closely.

Switzerland's commercial relations with the sterling area are important and the country is looking forward to the possibility of an early return to freer convertibility of the pound sterling. Here, where commercial policy is traditionally liberal, foreign exchange restrictions and bilateral trade agreements are viewed as a barrier to the expansion of international trade and as temporary expedients to be used only in an emergency.

The Outlook

About six months ago there were indications of a certain stabilization in the economic situation and a return to normal. A slow deflationary trend has set in, but Switzerland views the immediate future with considerable confidence. Her financial situation is strong (the note circulation is entirely covered by gold) and industry is on a sound footing. Reserves are being accumulated to meet an economic crisis if one should come.

—Yves Lamontagne
Commercial Counsellor for Canada

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

For Information on . . . Write to:

EUROPE	*K. Nyenhuis, Area Trade Officer for Europe, Department of Trade and Commerce, Ottawa.*
AUSTRIA	*(See Switzerland)*
BELGIUM	*T. J. Monty, Commercial Secretary, Canadian Embassy, 35 rue de la Science, Brussels.*
DENMARK	*(See Norway)*
FINLAND	*(See Sweden)*
FRANCE	*Acting Commercial Counsellor for Canada, 3 rue Scribe, Paris.*
GERMANY	*B. A. Macdonald, Commercial Counsellor, Canadian Embassy, 22 Zitelmannstrasse, Bonn.*
GREECE	*H. W. Richardson, Commercial Secretary, Canadian Embassy, 31 Vassilissis Sophias Ave., Athens.*
IRELAND	*T. G. Major, Commercial Counsellor for Canada, 66 Upper O'Connell St., Dublin.*
ITALY	*S. G. MacDonald, Commercial Counsellor, Canadian Embassy, Via Saverio Mercadante 15, Rome.*
NETHERLANDS	*J. A. Langley, Commercial Counsellor, Canadian Embassy, Sophialaan 1-A, The Hague.*
NORWAY	*J. L. Mutter, Commercial Secretary, Canadian Legation, Fridtjof Nansens Plass 5, Oslo.*
PORTUGAL	*L. M. Cosgrave, Commercial Counsellor, Canadian Legation, Avenida de Praia da Vitoria, 481°D., Lisbon.*
SPAIN	*E. H. Maguire, Canadian Government Trade Commissioner, Apartado 117, Madrid.*
SWEDEN	*F. W. Fraser, Commercial Counsellor, Canadian Legation, P.O. Box 14042, Stockholm.*
SWITZERLAND	*Yves Lamontagne, Commercial Counsellor, Canadian Embassy, Kirchenfeldstrasse 88, Berne.*

TRADE COMMISSIONERS ON TOUR

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

B. A. Macdonald, Commercial Counsellor for Canada in Bonn, Germany, begins a tour of Canada in Ottawa, July 6-10. His itinerary is:

Ottawa—July 6-10
Montreal—July 13-17
Three Rivers—July 20
Shawinigan—July 21
Quebec—July 22
Chicoutimi—July 23
Rimouski—July 24
Fredericton—July 27
Saint John—July 28-29
Halifax—July 30
Sydney—July 31
St. John's—August 3-4
Toronto—August 10-14
Hamilton—August 17-18
St. Catharines: Welland—August 19
Sarnia—August 20
Windsor: Walkerville—August 21
Winnipeg—August 24-26
Regina—August 27
Calgary—August 28
Edmonton—August 29-31
Vancouver: Victoria—September 9-16
Ottawa—September 28-October 2

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, begins a tour of Canada in Ottawa, June 29-July 10, and then visits Montreal, August 17-26 and Toronto, August 27-September 4. His complete itinerary will be published later.

Richard Grew, Commercial Counsellor in New Delhi, India, will begin a tour of Canada in Ottawa on June 29. His itinerary is:

Ottawa—June 29-July 3
Vancouver—July 7-15
Windsor—July 20
London—July 21
Brantford—July 22
Hamilton—July 23
St. Catharines—July 24
Toronto—July 27-31
Montreal—August 3-7

A. W. Evans, Commercial Secretary for Canada in Havana, Cuba, began a tour of Canada in Toronto on June 1st. His itinerary is:

Montreal—June 16-30
Quebec—July 2
Saint John—July 6-8
Halifax—July 10-13
St. John's—July 14
Windsor: Walkerville—August 17
Chatham—August 18
London—August 19
Kitchener—August 20
Guelph—August 21
Hamilton—August 24-25
Victoria—August 31
Vancouver—September 1-3
Calgary—September 4
Edmonton—September 5
Saskatoon—September 7
Winnipeg—September 9

C. J. Van Tighem, Consul of Canada and Trade Commissioner in São Paulo, Brazil, began a tour of Canada on June 3 in Hamilton. His itinerary is:

Montreal—June 22-30
Quebec—July 2-3
Arvida—July 4-6
Vancouver—July 29-31

Businessmen may get in touch with these officers through the Board of Trade in Saskatoon, Chatham, Guelph, Montreal, Quebec, Saint John, Sydney and Halifax; the Chamber of Commerce in Calgary, Regina, Kitchener, London, Welland, St. Catharines, Windsor, Sarnia, Hamilton, Brockville, Arvida, Chicoutimi, Rimouski, Shawinigan and Three Rivers; the Canadian Manufacturers Association in Edmonton, Winnipeg and Toronto; the Dept. of Trade and Industry in Victoria; the Dept. of Industry and Development in Fredericton (295 Queen St.); and the Department of Trade and Commerce in Ottawa, Vancouver (355 Burrard St.) and St. John's (Stott Bldg.).

TRADE AND TARIFF REGULATIONS

DOMINICAN REPUBLIC

Import Restrictions Lifted—As of June 10, 1953, the Dominican Republic has removed the restrictions previously in force against Canadian exports in order to prevent the introduction of foot-and-mouth disease into this country.

UNITED STATES

Investigation into Imports of Oats—The following notice appeared in *United States Federal Register* of June 16, 1953.

"Institution of Investigation: By direction of the President, dated June 6, 1953, and received by the United States Tariff Commission on June 10, 1953, the Commission, on the 10th day of June 1953, instituted and hereby gives notice of an investigation under section 22 of the Agricultural Adjustment Act, as amended, and Executive Order No. 7233 of November 23, 1935, for the purpose of determining whether oats, hulled or unhulled, and unhulled ground oats are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with the price-support program undertaken by the United States Department of Agriculture with respect to oats pursuant to sections 301 and 401 of the Agricultural Act of 1949, or to reduce substantially the amount of products processed in the United States from domestic oats."

The notice also states that a hearing will be held in the Tariff Commission Building, Washington, on July 7, 1953, and that those interested and desiring to appear should notify the Secretary of the Commission, in writing, at its offices in Washington, D.C.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·0044.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. June 18*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1327	
		Basic buying	·1991	
		Preferential selling	·1991	(1)
		Basic selling	·1327	
		Free	·07167	
Austria	Schilling		·03829	
Australia	Pound		2·2415	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01994	
Bolivia	Boliviano	Official	·00524	
British West Indies	Dollar		·5837	(3)
	Pound		2·8019	(4)
	Dollar	Brit. Honduras	·7020	
Brazil	Cruzeiro	Official	·05382	tax 8%
		Free	·01978	(2)
Burma	Kyat		·2101	
Ceylon	Rupee		·2101	
Chile	Peso	Official	·03206	(1)
		Commercial	·01658	
		Free	·00905	
Colombia	Peso	Basic	·3982	tax 3% (2)
		Coffee buying	·4264	
Costa Rica	Colon	Official	·1773	(5)
		Free	·1502	*May 15
Cuba	Peso		·9956	tax 2%
Czechoslovakia	Koruna		·1383	
Denmark	Krone		·1441	
Dominican Republic	Peso		·9956	
Ecuador	Sucre	Official	·06638	(6)
		Free	·05729	
Egypt	Pound		2·8590	
Fiji	Pound		2·5242	
Finland	Markka		·00433	
France	Franc		·00284	
French Africa	Franc		·00569	
French Pacific	Franc		·01564	
Germany	D Mark		·2371	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9956	
Haiti	Gourde		·1991	
Honduras	Lempira		·4978	
Hong Kong	Dollar	Free	·1641	*June 5
Iceland	Krona	Official	·06113	
		Special buying	·04710	
		Special selling	·03812	
India	Rupee		·2101	
Indonesia	Rupiah	Basic	·08734	(7)
		Dollar certificate	·00188	*May 15

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. June 18	Notes (See below)
Iran	Rial	Certificate I	·00954	*May 28
		Certificate II	·00940	*May 28
Iraq	Dinar		2·7877	
Ireland	Pound		2·8019	
Israel	Pound	Basic	2·7877	
		Special	1·3939	
		Investment	·9956	
Italy	Lira		·00160	
Japan	Yen		·00277	
Lebanon	Pound	Free	·2857	
Mexico	Peso		·1151	
Netherlands	Guilder		·2620	
Netherlands Antilles	Guilder		·5279	
New Zealand	Pound		2·8019	
Nicaragua	Cordoba	Effective buying	·1508	(8)
		Official	·1412	
		With Surcharge I	·1237	
		With Surcharge II	·09907	
Norway	Krone		·1394	
Pakistan	Rupee		·3009	
Panama	Balboa		·9956	
Paraguay	Guarani	Basic	·06638	(1)
		With Surcharge I	·04741	(9)
		With Surcharge II	·03319	
Peru	Sol	Certificate	·06131	
Philippines	Peso		·4978	tax 17% (2)
Portugal	Escudo		·03475	
El Salvador	Colon		·3982	
Singapore & Malaya	Straits dollar		·3269	
South Africa (Union of)	Pound		2·8019	
Spain & Dependencies	Peseta	Basic buying	·04546	
		Basic selling	·08874	
		Basic commercial selling	·06062	(1)
		Free	·02527	
Sweden	Krona		·1925	
Switzerland	Franc		·2323	
Syria	Pound	Free	·2746	*May 15
Thailand	Baht	Official	·07965	(1)
		Free	·05652	*April 30
Turkey	Lira		·3556	
United Kingdom	Pound		2·8019	
United States	Dollar		·9956	
Uruguay	Peso	Official	·6554	
		Basic buying	·5593	
		Special buying	·4237	(1)
		Basic selling	·5240	
		Special selling	·4064	
Venezuela	Bolivar		·2972	(10)
Yugoslavia	Dinar		·00332	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic rate plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952